



**Date:** November 30, 2022

To,  
**The Manager**  
**Dept. of Corporate Services**  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Samachar Marg,  
Mumbai - 400001, India

**Subject: Open Offer by Madhu Garg (“Acquirer”) to the public shareholders of Grand Foundry Limited (“Target Company”) for acquisition of upto 90,91,970 fully paid-up equity shares of Rs. 4/- each at a price of Rs. 4/- per fully paid up Equity share pursuant to and in compliance with Regulations 3(1), 15(1) and other applicable provisions of the SEBI (SAST) Regulations, 2011.**

**Sub: Submission of Letter of Offer**

Dear Madam/Sirs,

In relation to the captioned offer, please find enclosed herewith a copy of the Letter of Offer in compliance with SEBI (SAST) Regulations, 2011.

Please take it on your record.

Thanking you,

Yours faithfully,  
For Hem Securities Limited

  
**Sourabh Garg**  
VP- Investment Banking

**Encl: a/a**

## LETTER OF OFFER

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

The Letter of Offer will be sent to you as a Public Shareholder of **Grand Foundry Limited** (hereinafter referred to as “**Target Company**” or “**Target**” or “**GFL**”). If you require any clarification about the action to be taken, you may please consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement (“**Acceptance Form**”) and Transfer Deed(s)/Securities Transfer Form (Form SH-4) to the Member of Stock Exchange through whom the said sale was effected.

#### OPEN OFFER (“OFFER”) BY

**Madhu Garg (“Acquirer”)**, an individual residing at B-324, Saraswati Vihar, North West Delhi, Delhi 110034, India;  
**Tel. No.:** +91 9711989520; **E-mail:** [gargmadhu0108@gmail.com](mailto:gargmadhu0108@gmail.com)  
No person acting in concert for this Offer, with the Acquirer

#### TO ACQUIRE

Open Offer for Acquisition of up to 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred Seventy) Equity Shares, representing 29.88% (Twenty-Nine point Eighty Eight Percent)\* of the Voting Share Capital of Grand Foundry Limited, at an offer price of ₹4/- (Rupees Four Only) per Equity Share aggregating to Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only), payable in cash, made by Madhu Garg (hereinafter collectively referred to as the “**Acquirer**”), in accordance with the provisions of regulations 3(1) and 4 and such other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations, 2011, and subsequent amendments thereto, from the public shareholders of

#### GRAND FOUNDRY LIMITED

**CIN:** L99999MH1974PLC017655

**Registered Office:** 327, 3rd Floor, Arun Chambers, Tardeo Road, Mumbai 400034, Maharashtra, India

**Tel. No.:** +91-022-23526315/16/17; **Email id:** [cs@gfsteel.co.in](mailto:cs@gfsteel.co.in); **Website:** [www.gfsteel.co.in](http://www.gfsteel.co.in)

*\*An open offer in compliance with the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the voting share capital of the target company, however since, the shareholding of the Public Shareholders, as on date of the Public Announcement, is 29.88% (Twenty-Nine point Eighty Eight Percent), therefore the Offer Shares represent 29.88% (Twenty-Nine Point Eighty Eight Percent) of the Voting Share Capital of the Target Company.*

#### ATTENTION:

1. This Offer is being made by the Acquirer pursuant to Regulations 3(1) read with regulation 15(1) of the SEBI (SAST) Regulations.
2. As on date of this LOO, this offer is not subject to receipt of any other statutory approvals. However, it will be subject to all statutory approvals that may become applicable at a later date as mentioned in Point 7.16.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
4. Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Acquirer has permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the one working day before the commencement of the Tendering Period i.e. Tuesday, December 13, 2022. The same price will be payable by the Acquirer for all the shares tendered any time during the Tendering Period.
5. There has been no competing offer as on the date of this Letter of Offer.
6. A copy of Public Announcement (“**PA**”), Detailed Public Statement (“**DPS**”) and this Letter of Offer (“**LOO**”) along with Form of Acceptance cum Acknowledgement is also available on SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

#### MANAGER TO THE OFFER



#### Hem Securities Ltd.

##### Hem Securities Limited

904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013 Maharashtra, India.

**Tel No.:** +91-22-49060000;

**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com);

**website:** [www.hemsecurities.com](http://www.hemsecurities.com);

**Contact Person:** Mr. Sourabh Garg

**SEBI Registration No. :** INM000010981;

**Validity Period :** Permanent

**CIN No:** U67120RJ1995PLC010390

#### REGISTRAR TO THE OFFER



##### Purva Sharegistry (India) Private Limited

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai 400011, Maharashtra, India

**Tel. No.:** : +91 022- 022-23010771 /49614132

**Email:** [support@purvashare.com](mailto:support@purvashare.com)

**Website:** [www.purvashare.com](http://www.purvashare.com)

**Contact Person:** Ms. Deepali Dhuri

**Validity Period :** Permanent

**SEBI Regn. No.** INR000001112

**CIN:** U67120MH1993PTC07407

**TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER**

<b>Sr. No.</b>	<b>Activities</b>	<b>Original Schedule (Date and Day)#</b>	<b>Revised Schedule (Date and Day)#</b>
1.	<b>Issue of Public Announcement</b>	<b>Wednesday, October 12, 2022</b>	<b>Wednesday, October 12, 2022</b>
2.	Publication of this Detailed Public Statement in newspapers	Wednesday, October 19, 2022	Wednesday, October 19, 2022
3.	Last date of filing Draft Letter of Offer with SEBI	Friday, October 28, 2022	Friday, October 28, 2022
4.	Last date for Public Announcement for competing offer(s)	Monday, November 14, 2022	Monday, November 14, 2022
5.	Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Open Offer)	Monday, November 21, 2022	Friday, November 25, 2022
6.	<b>Identified Date*</b>	<b>Wednesday, November 23, 2022</b>	<b>Tuesday, November 29, 2022</b>
7.	Last date for dispatch of the Letter of Offer to the shareholders of the Target Company whose names appear on the register of members on the Identified Date	Wednesday, November 30, 2022	Tuesday, December 06, 2022
8.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the shareholders of the Target Company for this Open Offer	Friday, December 02, 2022	Thursday, December 08, 2022
9.	Last date for upward revision of Offer Price and/or Offer Size	Monday, December 05, 2022	Friday, December 09, 2022
10.	Date of publication of Open Offer opening public announcement in the newspapers in which Detailed Public Statement has been published	Tuesday, December 06, 2022	Monday, December 12, 2022
11.	<b>Date of Commencement of Tendering Period (Offer Opening Date)</b>	<b>Wednesday, December 07, 2022</b>	<b>Tuesday, December 13, 2022</b>
12.	<b>Date of closure of Tendering Period (Offer Closing Date)</b>	<b>Tuesday, December 20, 2022</b>	<b>Monday, December 26, 2022</b>
13.	Last date for publication of post Open Offer public announcement in the newspapers in which Detailed Public Statement has been published	Tuesday, December 27, 2022	Monday, January 02, 2023
14.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company.	Tuesday, January 03, 2023	Monday, January 09, 2023
15.	Last date for filling the post Open Offer report with SEBI	Tuesday, January 10, 2023	Monday, January 16, 2023

\* Identified Date is only for the purpose of determining the names of the Public Shareholders to whom the Letter of Offer would be sent. All the public shareholders (registered or unregistered) of the Equity Shares (except the Acquirer and the parties to the Share Purchase Agreement) are eligible to participate in this Offer any time before the closure of this Offer.

# The above timelines are indicative (prepared based on the timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of requisite approvals from various statutory/ regulatory authorities 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.

## RISK FACTORS

### i. Risk in association with the Transaction and Offer

- a) To the best of knowledge of the Acquirer, no statutory approvals are required however; it will be subject to all statutory approvals that may become applicable at a later date. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
- b) In the event that (a) the regulatory approvals are not received in a timely manner; or (b) there is any litigation to stay the offer; or (c) SEBI instructs the Acquirer not to proceed with the offer, then the Offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of Grand Foundry Limited, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.
- c) In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
- d) The Equity shares tendered in the Offer will be held in trust in the pool account of the broker / in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirer do not make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
- e) Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of shares under the offer and dispatch of consideration gets delayed.
- f) In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- g) The Acquirer along and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, DPS or this Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information (not released by the Acquirer), would be doing so at his/her/their own risk.
- h) This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer residing 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 Acquirer or the Manager to the Offer to any new or additional registration requirements.
- i) The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, and the appropriate course of action that they should take. The Acquirer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer.
- j) This Offer is subject to completion risks as would be applicable to similar transactions.

### ii. Risk in association with the Acquirer

- a) The Acquirer make no assurance with respect to financial performance of the Target Company.
- b) The Acquirer make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

- c) **The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer.**
- d) **The Acquirer have sufficient means to fulfil the financial obligation of this Open Offer through the internal resources only.**
- e) **The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer (LOO) / Detailed Public Statement (DPS) / Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk**
- f) **The Acquirer does not accept the responsibility with respect to the information contained in PA or DPS or LOO that pertains to the Target Company and has been compiled from publicly available resources.**

**The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of Grand Foundry Limited or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of Grand Foundry Limited are advised to consult their stock brokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Shareholder of the Target Company is hereby advised to consult with Legal, Financial, Tax, Investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer.**

#### **CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to “**Rupees**”, “**Rs.**”, or “**INR**” are to Indian Rupees, the official currency of the Republic of India. In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping.

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## 1. DEFINITIONS AND ABBREVIATIONS

Sr. No.	Terms	Definition/Abbreviation
1.	Acquirer/The Acquirer	Madhu Garg, an individual residing at B-324, Saraswati Vihar, North West Delhi, Delhi 110034, India.
2.	Acquisition Window	The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE & NSE, in the form of a separate window.
3.	Acquisition Window Circulars	Stock exchange mechanism as provided under SEBI (SAST) Regulations and the SEBI circulars bearing reference number 'CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015', 'CFD/DCR2/CIR/P/2016/131 dated December 09, 2016' and 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021' and on such terms and conditions as may be permitted by law from time to time.
4.	Board/ Board of Directors	Board of Directors of the Target Company
5.	Book Value Per Share	[Equity Capital + Free Reserve (excluding Revaluation Reserve)- Debit balance in Profit & Loss A/c – Misc expenditure not written off] / No. of Equity Shares issued
6.	BSE	BSE Limited
7.	Buying Broker	Hem Finlease Private Limited
8.	CDSL	Central Depository Services (India) Limited
9.	CKYC	Central know your client
10.	CIN	Corporate Identification Number
11.	Closure of the tendering Period	Monday, December 26, 2022
12.	Companies Act	Companies Act, 2013, and/or the Companies Act, 1956 (to the extent applicable and not repealed)
13.	DIN	Director Identification Number
14.	Clearing Corporation	Indian Clearing Corporation Limited
15.	Depositories	CDSL and NSDL
16.	DP	Depository Participant
17.	DLOO/Draft Letter of Offer	This Draft Letter of Offer dated Friday, October 28, 2022, filed and submitted with SEBI pursuant to the provisions of Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations.
18.	DPS or Detailed Public Statement	Detailed Public Statement dated Wednesday, October 19, 2022, made by the Manager to the Offer on behalf of the Acquirer to the Public Shareholders of the Target Company, which was published on in all editions of "Business Standard (English)", all editions of "Business Standard (Hindi)", Mumbai edition of "Navshakti (Regional- Marathi)" on Wednesday, October 19, 2022.
19.	Earnings Per Share / EPS	Earnings Per Equity Share calculated as Profit after tax / number of outstanding Equity Shares at the close of the year/ period.
20.	ECS	Electronic Clearing Service
21.	Eligible Shareholders	All Equity Shareholders (registered or unregistered) of the Target Company (Except the Acquirer ) are eligible to participate in the offer any time before the closure of the offer
22.	Escrow Agreement	Escrow Agreement, dated Wednesday, October 12, 2022, entered amongst and between the Acquirer, the Escrow Banker, and the Manager to the Offer.
23.	Escrow Account	An escrow account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, by the Acquirer in the name and style of " <b>MADHU GARG–GFL OPEN OFFER ESCROW ACCOUNT</b> " bearing number 922020052276915 with the Escrow Bank, irrevocably and unconditionally empowering the Manager to the Offer to act in compliance with the SEBI (SAST) Regulations, 2011.
24.	Escrow Amount	The amount aggregating to Rs. 3,63,67,880/- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only) maintained by the Acquirer with the Escrow Banker, in accordance with the Escrow Agreement. in cash which represents 100.00% of the offer consideration
25.	Escrow Bank/Escrow Agent	Axis Bank Limited, having its registered office at "TRISHUL" 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad 380006, India and for the purpose of this open offer through its branch situated at Statesman House, 148

Sr. No.	Terms	Definition/Abbreviation
		Barakhamba Road, New Delhi 110001, India.
26.	Equity Capital/Equity Share	The paid-up share capital is ₹ 12,17,20,000/- (Rupees Twelve Crores Seventeen Lakhs and Twenty Thousand Only) comprising of 3,04,30,000 Equity shares of face value of Rs. 4/- each of the Target Company
27.	FEMA	Foreign Exchange Management Act, 1999, as amended
28.	Finance Act	The Finance Act, 2021
29.	Form of Acceptance or FOA	Form of Acceptance - cum – Acknowledgement
30.	FATCA	Foreign Account Tax Compliance Act
31.	FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time.
32.	FIIIs	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended and modified from time to time.
33.	FIPB	Erstwhile Foreign Investment Promotion Board or the Foreign Investment Facilitation Portal, and which shall include the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and which shall include the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
34.	FPIs	Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended and modified from time to time.
35.	FY	Financial Year
36.	Identified Date	Tuesday, November 29, 2022
37.	Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments thereof
38.	IT Act	Income Tax Act, 1961, as amended and modified from time to time.
39.	ISIN	International Securities Identification Number
40.	IFSC	Indian Financial System Code
41.	IPV	In person verification
42.	LOO or Letter of offer	Letter of Offer dated November 30, 2022, along with Form of Acceptance-Cum-Acknowledgement
43.	LTCCG	Long Term Capital Gains
44.	Manager to the Offer / Manager/Merchant Banker/ HSL	Hem Securities Limited, the Merchant Banker appointed by the Acquirer pursuant to Regulation 12 of the SEBI (SAST) Regulations, having its registered office at 203, Jaipur Tower, M. I. Road, Jaipur- 302001, Rajasthan, India and Corporate Office at 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India.
45.	Maximum Consideration	The total funding requirement for this Offer, assuming full acceptance of this Offer being Rs. 3,63,67,880/- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only).
46.	Negotiated Price	A negotiated price of ₹1 /- (Rupees One Only) per Sale Share, aggregating to an amount of Rs. 2,13,38,030 (Rupees Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty Only) for the sale of 2,13,38,030 Equity Shares, representing 70.12% (Seventy Point One Two Percent) of the Voting Share Capital of the Target Company, by Promoter Sellers to the Acquirer, pursuant to the execution of the Share Purchase Agreement.
47.	NEFT	National Electronic Funds Transfer
48.	Networth	Equity Capital + Free Reserve (excluding Revaluation Reserve) –Debit balance in Profit & Loss A/c – Misc expenditure not written off
49.	NSDL	National Securities Depository Limited
50.	NSE	National Stock Exchange of India Limited
51.	Offer/The Offer/Open Offer	To acquire upto 90,91,970 Equity shares of Rs. 4/- each representing 29.88% of the fully paid up Equity Share Capital of the Target Company, as of the 10 <sup>th</sup> working day from the closure of the tendering period, of Target Company, at a price of Rs. 4/- (Rupees Four only) per Equity Share, payable in cash, in accordance with Regulation



Sr. No.	Terms	Definition/Abbreviation
		8(2) of SEBI (SAST) Regulations, 2011
52.	Offer Documents	Public Announcement, Detailed Public Statement, Draft Letter of Offer, Letter of Offer, Recommendation of the Committee of the Independent Directors of the Company, Pre-Offer Advertisement Cum Corrigendum to Detailed Public Statement, and Post Offer Public Announcement, and any other notices, advertisements, and corrigendum issued by or on behalf of the Manager.
53.	Offer Period	The period from the date of entering into an agreement, to acquire the Equity Shares, and Voting Share Capital in, or control over, the Target Company requiring a Public Announcement or the date on which the Public Announcement was issued by the Acquirer and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this offer, is made, or the date on which this offer is withdrawn, as the case may be.
54.	Offer Price	An offer price of ₹4.00/- (Rupees Four Only) per Equity Share. The Equity Shares of the Target Company are not frequently traded in accordance with the provisions of Regulation 2(1)(j) of the SEBI (SAST) Regulations, and hence the Offer Price has been determined in accordance with the parameters prescribed under Regulations 8 (1) and 8 (2) of the SEBI (SAST) Regulations, 2011.
55.	Offer Shares	Upto 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred and Seventy) Equity Shares, representing 29.88% (Twenty-Nine-point Eighty Eight Percent) of the Target Company
56.	Offer Size	Upto 90,91,970 Equity shares of Rs. 10/- each representing 29.88% of the fully paid up equity share capital, as of the 10 <sup>th</sup> working day from the closure of the tendering period, of Target Company at a price of Rs. 4/- (Rupees Four only) per Equity share aggregating is Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only)
57.	PAN	Permanent Account Number
58.	Public Announcement or “PA”	Public Announcement of the Offer by the Acquirer, made as per SEBI (SAST) Regulations which was sent to BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively referred to as the “Stock Exchanges”). The PA was also filed with the Securities and Exchange Board of India (“SEBI”) and was sent to the registered office of the Target Company on Wednesday, October 12, 2022.
59.	RBI	Reserve Bank of India
60.	Registrar or Registrar to the Offer	Purva Shareregistry (India) Private Limited
61.	Return on Net worth (%)	(Profit after Tax/ Networth)*100
62.	Rs./ Rupee/INR	Indian Rupee
63.	RTGS	Real Time Gross Settlement
64.	SEBI	Securities and Exchange Board of India
65.	SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
66.	SEBI (SAST) Regulations, 2011 / Takeover Regulation/SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
67.	SEBI Act	Securities and Exchange Board of India Act, 1992
68.	SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
69.	SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
70.	Sale Shares	2,13,38,030 (Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty) Equity Shares of Rs. 4/- each, constituting 70.12% of Equity and voting Share Capital of the Target Company.
71.	STCG	Short Term Capital Gains
72.	Stock Exchanges	BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively referred to as the “Stock Exchanges”) on which the Equity Shares of the Target Company are presently listed.
73.	Voting Share Capital	The fully diluted Equity Share Capital and voting share capital of the Target Company as of the 10 <sup>th</sup> working day from the closure of the Tendering Period.
74.	Target Company/TC/GFL	Grand Foundry Limited
75.	Tendering Period	The tentative period commencing from Tuesday, December 13, 2022, and ending on Monday, December 26, 2022, both days inclusive, within which the Public Shareholders may tender their Equity Shares to the Acquirer in acceptance of this

Sr. No.	Terms	Definition/Abbreviation
		Offer.
76.	TRS	Transaction Registration Slip
77.	Underlying Transaction	The transaction for sale and purchase of the Sale Shares as contemplated under the Share Purchase Agreement.
78.	Working Days	Working days of SEBI as defined in the SEBI (SAST) Regulations, 2011

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

## 2. DISCLAIMER CLAUSE:

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SECURITIES AND EXCHANGE BOARD OF INDIA. THIS LETTER OF OFFER HAS BEEN SUBMITTED TO SECURITIES AND EXCHANGE BOARD OF INDIA FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, INCLUDING SUBSEQUENT AMENDMENTS THERETO. THIS REQUIREMENT IS TO FACILITATE PUBLIC SHAREHOLDERS OF GRAND FOUNDRY LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OFFER. SECURITIES AND EXCHANGE BOARD OF INDIA DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FRIDAY, OCTOBER 28, 2022, TO SECURITIES AND EXCHANGE BOARD OF INDIA IN ACCORDANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, INCLUDING SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THIS OFFER.**

### **General Disclaimer**

This Offer Documents in connection with the Offer, have been prepared for the purposes of compliance with the provisions of applicable laws and regulations in India, including the SEBI Act and the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The delivery of Offer Documents, does not under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his/ her/ its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the Offer Documents are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her, or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted, and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations, and statutes to participate in this Offer.

### 3. DETAILS OF THE OFFER

#### 3.1 Background of the Offer

- 3.1.1 This is a mandatory Offer, being made by the Acquirer, in pursuance of and in compliance with the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company, pursuant to the execution of the Share Purchase Agreement to acquire control by making this Open Offer for 29.88% of the Voting Share Capital. The mode of payment of consideration for acquisition of the Equity Shares by the Acquirer is “Cash”.
- 3.1.2 The Acquirer has entered into an Share Purchase Agreement with the Promoter Sellers with an intention to acquire 2,13,38,030 (Two Crores Thirteen Lakhs Thirty Eight Thousand and Thirty) Equity Shares, representing 70.12% (Seventy Point One-Two Percent) of the Voting Share Capital of the Target Company at a negotiated price of ₹1.00/- (Rupees One Only) per Sale Share, aggregating to an amount of Rs. 2,13,38,030 (Rupees Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty Only), payable in compliance with the terms and conditions scheduled in the Share Purchase Agreement.
- 3.1.3 The prime object of this Offer is to acquire substantial Equity Shares and Voting Rights capital accompanied by control over the Target Company. The Acquirer intend to expand the Target Company’s business activities by carrying on additional business for commercial reasons and operational efficiencies. The Acquirer reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with applicable laws.
- 3.1.4 No person acting in concert with the Acquirer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.5 The Acquirer are making this Offer to acquire up to 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred and Seventy) Equity Shares, representing 29.88% (Twenty-Nine point Eighty Eight Percent) of the Voting Share Capital of the Target Company at the Offer Price of ₹4/- (Rupees Four Only) per Offer Share, assuming full acceptance of the Offer aggregating to Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only), payable in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Offer Documents.
- 3.1.6 The details of Promoter Sellers, who have entered into the Share Purchase Agreement with the Acquirer is stated hereunder:

Sr. No.	Name and Address of the Promoter Sellers	Nature of Entity	Part of Promoter Group (Yes/ No)	Details of shares/ voting rights held by the selling shareholders			
				Pre Transaction		Post Transaction	
				Number	%	Number	%
1	<b>Minal Kiran Jangla</b> PAN: AACPJ5635L Add: Sita Kunj, Ground floor, 164, Maharshi karve Road, Cooperage, Mumbai-400021, Maharashtra, India.	Individual	Yes	2,13,33,750	70.10% of Equity Share Capital	0	0.00
2	<b>Heena Ashok Mehta</b> PAN: AFOPM1842H Add: 17, Minal apartment 5th floor, shardanand Road, vile Parle East, Mumbai-400057 Maharashtra, India.	Individual	Yes	3,800	0.01% of Equity Share Capital	0	0.00
3	<b>Namita Hiten Jangla</b> PAN: AAFPJ0662E Add: 1-B, Beledere Court, 1st floor, Sane Guruji Road, Mahalaxmi East, Mumbai-400011 Maharashtra, India.	Individual	Yes	480	0.00% of Equity Share Capital	0	0.00
<b>Total</b>				<b>2,13,38,030</b>	<b>70.12%</b>	<b>0</b>	<b>0.00%</b>

- 3.1.7 Except for the proposed acquisition of 2,13,38,030 (Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty) Equity Shares, constituting 70.12% of the Voting Share Capital of the Target Company, by the Acquirer pursuant to execution of the Share Purchase Agreement, the Acquirer is not holding any Equity Shares of the Target Company.
- 3.1.8 The salient features of the Share Purchase Agreement are as follows:
- a) The Promoter Sellers are holding 2,13,38,030 Equity Shares, representing 70.12% of the Voting Share Capital of the Target Company.
  - b) The Promoter Sellers have agreed to sell and the Acquirer has agreed to acquire 2,13,38,030 Equity Shares, constituting 70.12% of the Voting Share Capital of the Target Company, at a negotiated price of ₹1.00/- (Rupees One Only) per Sale Share, aggregating to an amount of Rs. 2,13,38,030/- (Rupees Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty Only), payable in accordance with terms and conditions stipulated of the Share Purchase Agreement (**‘Purchase Price’**).
  - c) The aggregate entire purchase consideration for the Sale Shares aggregating to an amount of Rs. 2,13,38,030/- (Rupees Two Crores Thirteen Lakhs Thirty Eight Thousand Thirty Only) shall be payable by the Acquirer to the Promoter Sellers, in proportion to their respective holding at the date of signing of Share Purchase Agreement.
  - d) After completion of this Offer and consummation of the Share Purchase Agreement, the Promoter Sellers shall not hold any Equity Shares and Voting Share Capital in the Target Company, and hence shall no longer be the shareholders of the Target Company in any capacity.
  - e) On Completion Date (as defined under SPA), the Sellers shall cede its control over the company and the Acquirer shall gain control over the Company and shall have a right to reconstitute the Board of Directors of the Target Company and appoint his own representative/Directors as Directors/Chairman of the Target Company.
  - f) The Promoter Sellers shall sell, convey, and deliver to the Acquirer the Sale Shares, and the Acquirer shall purchase, acquire, and accept the said Sale Shares from the Promoter Sellers.
  - g) The Acquirer have no intention to delist the Target Company pursuant to this Offer.
  - h) The Acquirer and the Promoter Sellers have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations.
  - i) Non-compliance with any provisions of the SEBI (SAST) Regulations will lead to termination of the Share Purchase Agreement, effecting such sale from being acted upon by the Promoter Sellers or the Acquirer.
  - j) The Acquirer shall make an open offer in the manner required under the SEBI (SAST) Regulations and shall comply with all provisions of the SEBI (SAST) Regulations, as may be applicable.
  - k) The acquisition of the SPA Shares by the Acquirer will result in change in control of the Target Company. The Target Company being a listed entity, the Acquirer shall be responsible for complying with the requirements of the SEBI (SAST) Regulations in relation to the offer to the other public Shareholders.
- 3.1.9 The Offer is not as a result of global acquisition resulting in indirect acquisition of Target Company.
- 3.1.10 The Acquirer have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act, 1992.
- 3.1.11 The Acquirer will, subsequent to successful completion of this Open Offer or in accordance with Regulation 22(2) of SEBI (SAST) Regulations, reconstitute the Board of Directors of the Target Company. The Acquirer has not decided the names of persons who may be appointed on the Board of Directors of the Target Company.
- 3.1.12 The Promoters have irrevocably agreed to relinquish the management control of the Target Company in favor of the Acquirer, subject to the receipt of all the necessary approvals and the Acquirer completing all the Offer formalities. The Promoters shall declassify themselves from the ‘Promoter and Promoter Group’ category of the Target Company subject to receipt of necessary approvals required in terms of Regulation 31A(10) of the SEBI (LODR) Regulations and the satisfaction of conditions prescribed therein.
- 3.1.13 The total consideration of the Share Purchase Agreement shall be paid in cash by the Acquirer. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the

terms and conditions set out in the Offer Documents that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

- 3.1.14 As per provisions of Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required, upon receipt of the Detailed Public Statement, to constitute a committee of independent directors who would provide their reasoned recommendations on this Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspaper where the Detailed Public Statement was published and simultaneously a copy of such recommendations is required to be sent to SEBI, Stock Exchange and to the Manager to the Offer.

### 3.2 Details of the proposed Offer

- 3.2.1 This Offer is being made by the Acquirer in compliance with the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company, pursuant to the execution of the Share Purchase Agreement.
- 3.2.2 The Public Announcement announcing the Offer under the provisions of Regulations 3(1), and 4 read with Regulations 13(1) and 15(1) of the SEBI (SAST) Regulations was issued on Wednesday, October 12, 2022, by the Manager, for and on behalf of the Acquirer. A copy of the said Public Announcement was filed with SEBI, the Stock Exchanges, and sent to the Target Company on Wednesday, October 12, 2022.
- 3.2.3 In accordance with Regulation 13(4) of the SEBI (SAST) Regulations, the Acquirer have made a Detailed Public Statement within 5 (five) working days from the date of Public Announcement. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement has been published in the following newspapers:

Name of the Newspapers	Editions	Dates
Business Standard (English)	All Editions	October 19, 2022
Business Standard (Hindi)	All Editions	October 19, 2022
Navshakti (Marathi)	Mumbai	October 19, 2022

- 3.2.4 A copy of the Detailed Public Statement for the Open Offer is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), BSE at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nseindia.com](http://www.nseindia.com).
- 3.2.5 The Acquirer are making an offer to acquire up to 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred and Seventy) Equity Shares, representing 29.88% of the Fully Paid Up Equity Share Capital of the Target Company at a price of Rs. 4/- (Rupees Four only) per fully paid up equity share aggregates to an amount of Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only) payable in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the Offer Documents.
- 3.2.6 The Acquirer has deposited an amount of Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only) i.e., 100.00% (One Hundred Percent) of the total consideration payable in the Offer, assuming full acceptance in the Escrow Account pursuant of this Offer, in compliance with the provisions of Regulation 22(2) of the SEBI (SAST) Regulations.
- 3.2.7 All the shares of the Target Company are fully paid up and there are no partly paid up shares in the Target Company. There is no differential pricing in the Offer.
- 3.2.8 This is not a competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there has been no competing offer as on the date of this Letter of Offer.
- 3.2.9 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

- 3.2.10 The Acquirer will acquire upto 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred and Seventy) Equity Shares that are validly tendered in accordance with the terms of the Offer at the offer price.
- 3.2.11 The Acquirer will acquire only such Equity Shares that are fully paid up, free from all liens, charges and encumbrances and the Equity Shares shall be acquired together with all the rights and interests attached thereto, including all rights to dividend, bonus thereon.
- 3.2.12 The entire shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other persons / entities propose to participate in the acquisition.
- 3.2.13 The Acquirer has not acquired any equity Shares of the Target Company during the period of 52 (Fifty-Two) weeks prior to the date of the Public Announcement. Further, the Acquirer has not purchased any Equity Shares from the date of the Public Announcement to the date of this Letter of Offer.
- 3.2.14 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer have appointed Hem Securities Limited as the Manager to the Offer.
- 3.2.15 As of the date of this Letter of Offer, the Manager does not hold any Equity Shares in the Target Company and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager declares and undertakes that, it shall not deal on its own account in the Equity Shares during the Offer Period. Further, the Manager confirms that, as of the date of this Letter of Offer, there are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending.
- 3.2.16 As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the 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. Pursuant to the completion of this Offer, the public shareholding in the Target Company shall fall below the minimum level required as per Rule 19A of the SCRR, and the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.
- 3.2.17 Upon completion of the Offer, assuming full acceptance, the Acquirer will hold 3,04,30,000 Equity Shares of the Target Company, representing a total of 100.00% of the Voting Share Capital of the Target Company.
- 3.2.18 If the Acquirer acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) 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 Public Shareholders whose Offer Shares have been accepted in the 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 Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, including subsequent amendments thereto, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 3.2.19 The payment of consideration shall be made to all the Public Shareholders, who have tendered their Equity Shares in acceptance of the Offer within 10 (Ten) Working Days of the expiry of the Tendering Period. Credit for consideration will be paid to the Public Shareholders who have validly tendered Equity Shares in the Offer by crossed account payee cheques/pay order/demand drafts/electronic transfer. It is desirable that Public Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheques/demand draft/pay order.

### **3.3 Object of the Acquisition/Offer**

- 3.3.1 The prime object of this Offer is to make substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company.
- 3.3.2 The Acquirer also intends to control over the Target Company and make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof.
- 3.3.3 The Acquirer has proposed to continue the business as specified under the object clause of Memorandum of Association of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of Target Company and all

applicable laws, rules and regulations, The main purpose of this takeover is to expand the Company's business activities in the same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.

- 3.3.4 The Acquirer has reserved the right to streamline or restructure, pledge, or encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets, or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, later in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time and with approval of Board of Directors.
- 3.3.5 The Acquirer state that, they do not have any plan to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (Two) years from the date of closure of this Offer, except: (a) in the ordinary course of business of the Target Company, and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirer undertake that, they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through a special resolution passed by way of postal ballot in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required.
- 3.3.6 Pursuant to this Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirer shall become the Promoters of the Target Company and, the Promoter Sellers will cease to be the promoters of the Target Company in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations.

#### **4. BACKGROUND OF THE ACQUIRER**

##### **ACQUIRER –MADHU GARG**

- 4.1 Nature of Entity: Individual
- 4.2 Madhu Garg, D/o Amarnath, (hereinafter referred to as “Acquirer”) aged 59 years, is an Indian National Resident, having PAN Number ABTPG0991Q under the Income Tax Act, 1961 and resident at B-324, Saraswati Vihar, North West Delhi, Delhi 110034, India and her E-mail address being [gargmadhu0108@gmail.com](mailto:gargmadhu0108@gmail.com) & contact number being +91 9711989520.
- 4.3 Acquirer has completed her bachelor's degree in Commerce and has experience of more than a decade which includes experience in the field of Management and Business Development and other related areas.
- 4.4 Acquirer is associated with Kundan Fats and Proteins Limited, Florid Consultancy Services Private Limited, Lawrence Management Services Private Limited and Moonrise Management Services Private Limited as a Director and bearing DIN 00568632.
- 4.5 As on the date of this Letter of Offer, the Acquirer does not hold any Equity Shares in the Target Company, prior to the execution of the Share Purchase Agreement and subsequently, pursuant to consummation of the Share Purchase Agreement, she will be classified as the Promoter of the Target Company, subject to the compliance of the SEBI (LODR) Regulations.
- 4.6 The Net Worth of Acquirer as of Wednesday, October 12, 2022, is Rs. 729.84/- Lakhs (Rupees Seven Crore Twenty Nine Lakhs Eighty Four Thousand Only) as certified bearing unique document identification number 22522259AZJYAR8800 on Wednesday, October 12, 2022, by Chartered Accountant, Nishant Khanna, membership number 522259, of M/s ANV & Co., (Chartered Accountants), firm registration number 027349N having their office located at C-85, 3rd Floor, Mansarover Garden, New Delhi-110 015 India, with contact details being +91 9711870799, and E-mail Address being [anv\\_com@outlook.com](mailto:anv_com@outlook.com) and further also confirms that the Acquirer has sufficient means to fulfil obligations under this Offer.
- 4.7 The acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI" Act) as amended or any of the Regulations made under the SEBI Act.



- 4.8 The acquirer has not acquired any Equity Shares from the date of Public Announcement till the date of this Letter of Offer.
- 4.9 The acquirer will not sell the Equity Shares of the Target Company, held, and acquired, if any, during the Offer Period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 4.10 The Acquirer does not belong to any group and not forming part of the present promoters and promoter group of the Target Company
- 4.11 The Acquirer does not related to the promoters, directors, or any key employees of the Target Company.
- 4.12 Acquirer confirms that currently there are no pending litigations pertaining to securities market to which it has been made a party.
- 4.13 There is no agreement with the Acquirer in connection with the break-up of shares to be accepted from the shares tendered in the Offer. The entire Equity shares proposed to be acquired under this offer will be acquired by the Acquirer and no other persons /entities propose to participate in the acquisition.
- 4.14 The Acquirer has not been categorized nor are appearing in the 'Wilful Defaulter or a Fraudulent Borrower' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by Reserve Bank of India.
- 4.15 Further, the Acquirer has not been Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

## 5. 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)*

### TARGET COMPANY –GRAND FOUNDRY LIMITED

- 5.1 Grand Foundry Limited (hereinafter referred to as "GFL"), was originally incorporated as Private Limited Company in the name of Grand Foundry Private Limited on March 30, 1973 under the Companies Act, 1956 within the jurisdiction of Registrar of Companies, Maharashtra, Mumbai. Subsequently, the Company was converted into a Public Limited Company and consequently the name of the Company was changed from "Grand Foundry Private Limited" to "Grand Foundry Limited" vide a fresh certificate of incorporation dated January, 20, 1992 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number of the Company is L99999MH1974PLC017655.
- 5.2 The current registered office of Target Company is located at 327, 3rd Floor, Arun Chambers, Tardeo Road, Mumbai 400034, Maharashtra, India. The target company has shifted its registered office from "2327, 3rd Floor, Arun Chambers, Tardeo, Mumbai 400034, Maharashtra, India" to "327, 3rd Floor, Arun Chambers, Tardeo Road, Mumbai 400034, Maharashtra, India" on May 29, 2019. Except for the stated above there have been no change in the registered office of the Target Company in last 5 years.
- 5.3 The Equity Shares are currently listed on BSE Limited (BSE) (Scrip Code: 513343) and are not suspended from trading on BSE. The shares of the Company have been placed under Stage-4 of the Graded Surveillance Measure (GSM) on BSE. The Equity Shares are also listed on National Stock Exchange of India Limited (NSE) (Symbol: GFSTEELS). The ISIN of the Target Company is INE534A01028.
- 5.4 The Equity Shares are not frequently traded on BSE & NSE within the meaning of Regulation 8(2)(e) of the SEBI (SAST) Regulations for the period commencing on October 01, 2021 and ending on September 30, 2022 i.e. for twelve calendar months preceding the month in which the PA is issued.
- 5.5 The Target Company is mainly engaged in the manufacture and deal in engineering goods, machinery, tools and any components, accessories thereof and repairs, processors, importer, exporters and dealers in metals (ferrous and non-ferrous) and metal articles for lightning and heating purposes and rolling works of all kinds of furnace equipment plates, sheets, rods, bars, flats, structural and all others shapes and sections.
- 5.6 The Promoter of the Target Company are Minal Kiran Jangla, Kiran Dhirajlal Jangla, Heena Ashok Mehta, Namita Hiten Jangla and Dhirajlal Babulal Jangla.
- 5.7 The share capital of the Target Company is as follows:

Sr. No.	Particulars	Number of Shares	Aggregate amount of Shares	Voting Share Capital
1.	Authorized Equity Share capital	7,50,00,000 equity shares of Rs 4/- and 1,00,000 preference shares of Rs. 10/- each.	Rs. 30,10,00,000 /- (Rupees Thirty Crores Ten Lakhs Only)	100.00%
2.	Issued, subscribed and paid-up Equity Share capital	3,04,30,000 (Three Crore Four Lakhs and Thirty Thousand) Equity Shares of ₹ 4.00 each	Rs. 12,17,20,000 (Rupees Twelve Crore Seventeen Lakh Twenty Thousand Only)	100.00%

5.8 The present Board of Directors of the Target Company are as follows:

Sr. No.	Name of Directors	Designation	DIN	Date of Appointment
1.	Minal Jangla	Executive Director	00734650	11/08/2017
2.	Kersi Keki Pavri	Non-Executive Director	00473846	31/08/2020
3.	Archana Prakash Dakhale	Non-Executive Director	06637416	27/09/2021
4.	Taroon Sunder Vaswani	Independent Director	01870879	29/05/2019
5.	Naresh Prabhudas Goradia	Independent Director	07517900	09/12/2021
6.	Ketan Rasiklal Shah	Independent Director	00086907	29/05/2019

5.9 As on date of this Letter of Offer, the Target Company doesn't have: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities or instruments in the nature of warrants or fully or partly convertible debentures/preference shares/employee stock options etc., which are convertible into Equity Shares at any later date. (c) Equity Shares which are forfeited or kept in abeyance; (d) Outstanding Equity Shares that have been issued but not listed on the Stock Exchanges.

5.10 Except as mentioned below, as on the date of this Detailed Public Statement, no Equity Shares of the Target Company are under lock-in. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

Name of Seller	Number of Locked in shares	Lock in upto
Minal Kiran Jangla	60,86,000	February 14, 2023

Further, the lock in requirement shall be the same as applicable to the Promoter Sellers, post-acquisition by the Acquirer which shall be subject to lock-in until February 14, 2023.

5.11 BSE Limited has suspended the scrip of Grand Foundry Ltd for non-compliance with certain provisions of the listing agreement with effect from January 07, 2002 and suspension in trading of equity shares was later revoked w.e.f. July 22, 2019 on payment of the re-instatement fees of Rs. 15 lakhs. Further, The National Stock Exchange of India Limited has suspended the scrip of Grand Foundry Ltd for non-compliance with certain provisions of the listing agreement with effect from September 30, 2005 and suspension in trading of equity shares was later revoked w.e.f. July 22, 2019 on payment of the re-instatement fees of Rs. 1.50 lakhs.

5.12 The target company ("Grand Foundry Limited") was declared a Sick Industrial Company in terms of section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 vide order dated September 11, 1998. Later, the scheme involving revival of the Company was approved by Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its order dated September 7, 2015.

5.12.1 As per the BIFR Order, the issued, subscribed and paid-up equity capital of the company stand reduced from Rs. 10,43,00,000/- consisting of 1,04,30,000 equity shares of face value of Rs.10/- each to Rs. 4,17,20,000/- consisting of 1,04,30,000 equity shares of Rs. 4/- each by way of reduction of share capital by 60%. The reduction was affected by reducing the face value per shares from Rs. 10/- to Rs. 4/-.

5.12.2 Further, 2,00,00,000 equity shares of Rs. 4/- each issued at par to Promoters on a preferential basis pursuant to BIFR Order by capitalization of unsecured loans brought in by the promoters to the extent of Rs. 600 lakhs and Rs. 200 lakhs to be brought in by the promoters.

5.13 The Target Company is not registered with any regulatory or governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company.

5.14 The Target Company, and its Promoter Sellers, and its directors and key managerial personnel are not declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018 nor have he has been categorized nor are appearing in the 'Wilful Defaulter or Fraudulent Borrower' list issued by any bank,

financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by SEBI.

- 5.15 As of date of this Letter of Offer, there are no directions subsisting or proceedings pending against the Target Company and its Promoters, including existing Promoter Seller, and its directors and key managerial personnel, under the SEBI Act and the regulations made thereunder or by any other regulator. Further, no penalties had been or have been levied by SEBI/ RBI or any other regulatory body against the Target Company and its Promoters, including existing Promoter Seller, and its directors and/or key managerial personnel.
- 5.16 As on date of this LOO, there is no subsidiary or holding company of the Target Company.
- 5.17 The Target Company had paid penalty of ₹ 4000 (excluding GST & TDS) to BSE Limited for delay in submission of Corporate Governance compliance report within the time prescribed under regulation 27(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Except the aforesaid and elsewhere mentioned in this LOO, the Target Company has complied with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as on date no penal action is pending against the Target Company, which has been initiated by the Stock Exchange
- 5.18 The Promoter Sellers have failed to file the necessary disclosures in accordance with the provisions of Chapter V of the SEBI (SAST) Regulations, the details of which are specified as under:

**Regulation 29 -**

Name of individual/entity	Regulation	Financial Year	Date of transaction	Pre Transaction shareholding %	Post transaction shareholding %	% of change in shareholding	Due Date for Compliance	Actual Date of Compliance	Status of compliance	Delay in no. of days	Remarks, if any
Minal Kiran Jangla, Kiran Dhirajlal Jangla and Dhirajlal Babulal Jangla	29(1)	2017-18	03.11.2017 - 08.11.2017	0.01	12.78	12.77	07.11.2017-10.11.2017	-	Not Complied	-	Inter se Transfer & Company was suspended during the period.
Minal Kiran Jangla & Kiran Dhirajlal Jangla	29 (1) & 29 (2)	2019-20	24.12.2019	7.97	68.46	60.49	27.12.2019	-	Not Complied	-	Shares were allotted to the promoters upon conversion of unsecured loan pursuant to BIFR order dated September 07, 2015
Minal Kiran Jangla	29 (2)	2021-22	22.02.2022	60.50	63.49	2.99	24.02.2022	-	Not Complied	-	Transmission of Shares from Kiran Dhirajlal Jangla and Dhirajlal Babulal Jangla
Minal Kiran Jangla	29 (2)	2022-23	13.06.2022	63.49	70.11	6.62	15.06.2022	-	Not Complied	-	Transmission of Shares from Kiran Dhirajlal Jangla.

## Regulation 30 & Regulation 31

Name of individual/entity responsible for making disclosure	Regulation	Financial Year	Date of transaction, if any	% of shareholding not disclosed/ % of encumbered shares but not disclosed	Due date for compliance	Actual Date of Compliance	Status of compliance	Delay in no. of days	Remarks, if any
Minal Kiran Jangla	31 (4)	2019-20	-	70.12	01.06.2020	28.10.2022	Complied	940	Delayed compliance
Minal Kiran Jangla	31 (4)	2020-21	-	70.12	12.04.2021	28.10.2022	Complied	564	Delayed compliance
Minal Kiran Jangla	31 (4)	2021-22	-	70.12	11.04.2022	28.10.2022	Complied	74	Delayed compliance
Minal Kiran Jangla	30 (2)	2012-13	-	12.81	09.04.2013	-	Not Complied	-	Company was suspended during the period.
Minal Kiran Jangla	30 (2)	2013-14	-	12.81	09.04.2014	-	Not Complied	-	
Minal Kiran Jangla	30 (2)	2014-15	-	12.81	09.04.2015	19.10.2022	Complied	2750	Delayed compliance as the Company was suspended during the period.
Minal Kiran Jangla	30 (2)	2015-16	-	12.81	12.04.2016	19.10.2022	Complied	2381	
Minal Kiran Jangla	30 (2)	2016-17	-	12.81	12.04.2017	19.10.2022	Complied	2016	
Minal Kiran Jangla	30 (2)	2017-18	-	12.83	10.04.2018	19.10.2022	Complied	1653	

\*SEBI vide its circular bearing reference number 'SEBI/HO/CFD/DCR1/CIR/P/2020/49' dated March 27, 2020, had extended the timeline to file the report under Regulations 30 (1), 30 (2) and 31 (4) for the Financial Year ended as on March 31, 2020, till June 01, 2020.

As on date no action has been initiated by SEBI, however, SEBI may initiate appropriate action against the Promoter Sellers for the aforesaid violation in terms of the SEBI (SAST) Regulations and provisions of the SEBI Act.

- 5.19 The Target Company has not been a party to any scheme of amalgamation, restructuring, merger / de-merger, buy-back, and spin-off during the last 3 (Three) years.
- 5.20 There are no directors representing the Acquirer appointed as directors on the Board of the Target Company.

### 5.21 Financial Information

The brief financial details of Target Company based on the audited financial statements for the last 3 (Three) years ended March 31, 2022, March 31, 2021, March 31, 2020 and unaudited financial Statements (Limited Review by Statutory Auditors) for the quarterly months ended June 30, 2022 are as follows:

#### Statement of Profit and Loss

Particular	(Rs. in Lakhs)			
	Three months ended 30.06.2022 (Unaudited)	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)	Year Ended 31.03.2020 (Audited)
Revenue from Operations	-	-	106.64	688.20
Other Income	-	1.63	0.00	47.48
<b>Total Revenue</b>	-	<b>1.63</b>	<b>106.64</b>	<b>735.68</b>
Total Expenditure	8.16	19.56	120.54	961.68
<b>Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax</b>	<b>(8.16)</b>	<b>(17.93)</b>	<b>(13.90)</b>	<b>(226.00)</b>
Depreciation	-	3.35	3.53	4.78
Financial Costs	-	0.02	0.02	2.17

<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(8.16)</b>	<b>(21.30)</b>	<b>(17.45)</b>	<b>(232.94)</b>
Less: Exceptional Items	-	0.00	0.15	1.54
<b>Profit/(Loss) before Tax</b>	<b>(8.16)</b>	<b>(21.30)</b>	<b>(17.60)</b>	<b>(234.48)</b>
Current tax	-	-	-	-
Earlier year Taxes	-	-	-	-
Deferred Tax	-	0.67	3.08	30.21
Profit/(Loss) after Tax from continuing operations	<b>(8.16)</b>	<b>(20.63)</b>	<b>(20.69)</b>	<b>(204.26)</b>
Profit from discontinuing operations	-	-	-	-
<b>Profit/(Loss) after Tax</b>	<b>(8.16)</b>	<b>(20.63)</b>	<b>(20.69)</b>	<b>(204.26)</b>

**Statement of Balance Sheet**

(₹ in Lakhs except Equity Share data)

Particulars	Three months ended 30.06.2022	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	6.25	6.25	9.60	13.13
Intangible Assets	-	-	-	-
Non-current investments	-	-	-	-
Deferred Tax Assets (Net)	0.18	0.18	-	2.59
Long term loans and Advances	-	-	-	-
<b>Current Assets</b>				
Current Investment	-	-	-	-
Inventories	-	-	-	-
Trade receivables	24.40	24.83	150.67	224.24
Cash and cash equivalents	0.68	0.66	0.71	0.23
Bank Balances other than (ii) above	1.37	1.15	1.56	1.12
Other Financial Assets	18.19	46.96	15.80	20.42
<b>TOTAL</b>	<b>51.06</b>	<b>80.03</b>	<b>178.34</b>	<b>261.73</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	1217.20	1217.20	1217.20	1217.20
Other Equity	(1553.28)	(1545.11)	(1524.48)	(1503.79)
<b>Net worth</b>	<b>(336.08)</b>	<b>(327.91)</b>	<b>(307.28)</b>	<b>(286.59)</b>
<b>Non-Current Liabilities</b>				
Long-term borrowings	5.65	162.95	72.22	2.05
Loan from Debentures	-	-	-	-
<b>Current liabilities</b>				
Trade Payables	218.13	244.77	411.47	543.92
Other Financial Liabilities	163.35	0.08	0.05	0.05
Short Term Provisions	-	0.14	1.39	2.30
Deferred Tax Liabilities (Net)	-	-	0.49	-
<b>TOTAL</b>	<b>51.06</b>	<b>80.03</b>	<b>178.34</b>	<b>261.73</b>

**Other Financial Information**

(₹ in Lakhs except Equity Share data)

Particulars	Three months ended 30.06.2022	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2020
	(Unaudited)	(Audited)	(Audited)	(Audited)
Dividend (%)	-	-	-	-
Earnings Per Share (Basic) (in Rs.)	(0.01)**	(0.20)	(0.20)	(1.96)
Return on Networth (%)*	NA	NA	NA	NA
Book Value Per Share (in Rs.)	(1.10)	(1.08)	(1.01)	(0.94)

\*Net-worth is negative

\*\*not annualized

**Note:**

- a) The financial information set forth above has been extracted from the audited financial statements for the Financial Years ending March 31, 2022, 2021 and 2020, as audited by the statutory auditors of the Target Company.

b) There are no major contingent liabilities existing in the Target Company.

5.22 The closing market price of the Equity Shares of the Target Company as of the date of the Public Announcement, the trading day before and after the date of the Public Announcement was as below:

Particular	Date	Market Price (Closing)
		NSE
Date just before the Public Announcement	October 11, 2022	3.55
Date of Public Announcement	October 12, 2022	3.55
Date just after the Public Announcement	October 13, 2022	3.70

Particular	Date	Market Price (Closing)
		BSE
Date just before the Public Announcement	October 03, 2022	4.01
Date of Public Announcement	October 12, 2022	No shares traded on public announcement date
Date just after the Public Announcement	October 13, 2022	4.21

5.23 The pre-Offer and post-Offer shareholding of the Target Company (based on the issued, subscribed, and paid-up Equity Share capital and Voting Share capital), is as per the shareholding pattern filed for the quarter ending September 30, 2022, and assuming full acceptance under this Offer is as specified below:

Sr. No	Shareholders Category	Shareholding & Voting rights prior to the SPA/ acquisition and Offer		Shares/voting rights acquired which triggered off the Regulations		Shares/Voting rights to be acquired in Offer (assuming full acceptance)		Shareholding/ Voting rights after Acquisition and Offer (A+B+C)	
		(A)		(B)		(C)		(D)	
		No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding
<b>1</b>	<b>Promoter and Promoter Group</b>								
<b>a)</b>	<b>Parties to the Share Purchase Agreement</b>								
	Minal Kiran Jangla	2,13,33,750	70.10	(2,13,33,750)	(70.10)	-	-	-	-
	Heena Ashok Mehta	3,800	0.01	(3,800)	(0.01)	-	-	-	-
	Namita Hiten Jangla	480	0.00	(480)	(0.00)	-	-	-	-
<b>b)</b>	<b>Promoters other than a above #</b>								
	Dhirajlal Babulal Jangla	0	0.00	0	0.00	-	-	-	-
	<b>Total 1(a+b)</b>	<b>2,13,38,030</b>	<b>70.12</b>	<b>(2,13,38,030)</b>	<b>(70.12)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Acquirer</b>								
	Madhu Garg	-	-	2,13,38,030	70.12	90,91,970	29.88	3,04,30,000	100.00
	<b>Total 2</b>	<b>-</b>	<b>-</b>	<b>2,13,38,030</b>	<b>70.12</b>	<b>90,91,970</b>	<b>29.88</b>	<b>3,04,30,000</b>	<b>100.00</b>
<b>3</b>	<b>Parties to the Share Purchase Agreement other than 1 &amp; 2</b>								
	None	-	-	-	-	-	-	-	-
<b>4</b>	<b>Public (other than Parties to Agreement and Acquirer) #</b>								
	<b>B1) Institutions</b>								
	Mutual Funds/	2,000	0.01	-	-	(2,000)	(0.01)	-	-
	Insurance Companies	3,100	0.01	-	-	(3,100)	(0.01)	-	-
	<b>Sub Total B1</b>	<b>7,080</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>(7,080)</b>	<b>(0.02)</b>	<b>-</b>	<b>-</b>
	<b>B2) Central Government/ State Government(s)/ President of India</b>	<b>0</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>
	<b>B3) Non-Institutions</b>	<b>0</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>
	<b>Any Other (specify)</b>	<b>3,13,919</b>	<b>1.03</b>	<b>-</b>	<b>-</b>	<b>(3,13,919)</b>	<b>(1.03)</b>	<b>-</b>	<b>-</b>
	Clearing Members	40,827	0.13	-	-	(40,827)	(0.13)	-	-
	HUF	2,73,092	0.90	-	-	(2,73,092)	(0.90)	-	-
	<b>Sub Total B3</b>	<b>90,84,890</b>	<b>29.86</b>	<b>-</b>	<b>-</b>	<b>(90,84,890)</b>	<b>(29.86)</b>	<b>-</b>	<b>-</b>
	<b>B=B1+B2+B3</b>	<b>90,91,970</b>	<b>29.88</b>	<b>-</b>	<b>-</b>	<b>(90,91,970)</b>	<b>(29.88)</b>	<b>-</b>	<b>-</b>
	Financial Institutions/ Banks	1,980	0.01	-	-	(1,980)	(0.01)	-	-
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	77,29,055	25.40	-	-	(77,29,055)	(25.40)	-	-
	Resident Individuals holding nominal	4,63,521	1.52	-	-	(4,63,521)	(1.52)	-	-

	share capital in excess of Rs. 2 lakhs								
	Non-Resident Indian (NRI)	30,337	1.10	-	-	(30,337)	(1.10)	-	-
	Bodies Corporate	5,48,058	1.80	-	-	(5,48,058)	(1.80)	-	-
	<b>Grand Total (1 to 4)</b>	<b>3,04,30,000</b>	<b>100.00</b>	-	-	<b>(3,04,30,000)</b>	<b>(100.00)</b>	-	-

*#The Promoter Sellers who are the parties to the Share Purchase Agreement, are not eligible to participate in this Offer in accordance with the provisions of the SEBI (SAST) Regulations and shall make an application for declassifying themselves from the 'promoter and promoter group' to the 'public category' of the Target Company, in accordance with the provisions of Regulation 31A of SEBI (SAST) Regulations.*

**Notes:**

- a) *The data within bracket indicates sale of Equity shares.*
- b) *There are 24,371 (Twenty Four Thousand Three Hundred and Seventy One) Public Shareholders as per the shareholding pattern filed with the Stock Exchanges (BSE and NSE) for the quarter ending September 30, 2022.*



## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 JUSTIFICATION OF OFFER PRICE

6.1.1 This Open Offer is pursuant to the Share Purchase Agreement (“SPA”) entered between the Acquirer and Promoter Sellers dated October 12, 2022.

6.1.2 The equity shares of the Target Company are not frequently traded, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE & NSE. The annualized trading turnover of the equity shares traded during the twelve calendar months preceding September 30, 2022, the month in which the Open Offer was triggered is as given below:

Name of the Stock Exchanges	Total no. of Equity Shares traded during the 12 calendar months preceding to September 30, 2022	Total no. of listed Equity Shares	Traded Turnover (as % of Equity Shares listed)
BSE Limited	12,92,711	3,04,30,000	4.25
National Stock Exchange of India Limited	8,44,076	3,04,30,000	2.77

\*Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

6.1.3 The Offer Price of Rs. 4/- (Rupees Four Only) per equity share of Rs. 4/- each is justified in terms of Regulation 8(1) & 8(2) of the SEBI (SAST) Regulations, after considering the following facts:

Sr. No	Particulars	Amount
a)	Negotiated Price under the Share Purchase Agreement attracting the obligations to make a Public Announcement for the Offer	Rs.1/-
b)	The volume-weighted average price paid or payable for acquisition(s) by the Acquirer, during the 52 (fifty-two) weeks immediately preceding the date of Public Announcement.	NA
c)	The highest price paid or payable for any acquisition by the Acquirer, during the 26 (twenty-six) weeks immediately preceding the date of Public Announcement.	NA
d)	The volume-weighted average market price of Equity Shares calculated as per Regulation 8(2)(d) for a period of 60 (sixty) trading days immediately preceding the date of Public Announcement as traded on BSE and NSE where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided such shares are frequently traded.	NA
e)	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager considering valuation parameters per Equity Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares.	(Rs.1.10/-)*

\*As per the valuation certificate by Mr. Nitin Khandelwal (Membership No 414387), partner of M/s Surender K Goyal & Co., Chartered Accountants, bearing Firm Registration number 005856C, through his valuation report bearing UDIN 22414387BADFCH8578 dated October 12, 2022, has certified that the fair value of the Equity Share of Target Company is Rs.1.10/- (Negative) per Equity Share.

6.1.4 The Offer Price i.e. Rs. 4/- (Rupees Four Only) per equity share, being higher than the highest of the parameters mentioned hereinabove, in the opinion of the Acquirer and Manager to the Offer, is justified in terms of Regulations 8(1) & 8(2) of SEBI (SAST) Regulations. The Offer Price is denominated and payable in Indian Rupees only.

6.1.5 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 Letter of Offer up to 3 (Three) Working Days prior to the commencement of the Tendering Period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations.

6.1.6 In the event of any acquisition of Equity Shares by the Acquirer during the 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 (8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire

any Equity Shares after the 3rd (Third) Working Day prior to the commencement and until the expiry of the Tendering Period of this Offer.

- 6.1.7 As on date, there has been no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011, which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- 6.1.8 The Acquirer shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.
- 6.1.9 There has been no revision in the Offer Price or to the size of this offer as on the date of this Letter of Offer.
- 6.1.10 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done at any time prior to the commencement of last working day before the date of commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make further deposit into the Escrow Account; (ii) make a Public Announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such Public Announcement, inform BSE, NSE, SEBI and the Target Company at its Registered Office of such revision.
- 6.1.11 If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (Twenty-Six) 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 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 as per the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.
- 6.1.12 In case the Acquirer acquire or agree to acquire any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the offer price, the offer price shall stand revised to the highest paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirer shall not acquire any equity shares of the Target Company after the 3<sup>rd</sup> (third) working day prior to the commencement of the tendering period and until the expiry of the tendering period.

## 6.2 FINANCIAL ARRANGEMENTS

- 6.2.1 The maximum consideration payable by the Acquirer to acquire up to 90,91,970 (Ninety Lakhs Ninety One Thousand Nine Hundred and Seventy) Equity Shares, representing 29.88% (Twenty-Nine point Eighty Eight Percent) of the Voting Share Capital of the Target Company at the Offer Price of ₹4/- (Rupees Four Only) per Offer Share, assuming full acceptance of the Offer aggregating to Rs. 3,63,67,880 /- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only) (**“Maximum Consideration”**)
- 6.2.2 The Acquirer has adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution or NRIs or otherwise is envisaged by Acquirer for the purpose of this open offer. The Acquirer have made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through their own internal resources.
- 6.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account in the name and style of “MADHU GARG–GFL OPEN OFFER ESCROW ACCOUNT” with Axis Bank, having its branch situated at Statesman House, 148 Barakhamba Road, New Delhi 110001, India (“Escrow Bank”) and have deposited an amount of Rs. 3,63,67,880/- (Rupees Three Crore Sixty Three Lakhs Sixty Seven Thousand Eight Hundred and Eighty Only) in cash which represents at least 100.00% of the offer consideration. The date of deposit of the fund to the Escrow Account is October 13, 2022.

- 6.2.4 The Acquirer has duly empowered and authorized **Hem Securities Limited**, the Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5 Mr. Nishant Khanna (Membership No: 522259), Partner of M/s ANV & Co., (FRN: 027349N), Chartered Accountants, having their office at C-85, 3rd Floor, Mansarover Garden, New Delhi-110 015 India, has certified vide dated Wednesday, October 12, 2022 that sufficient resources are available with the Acquirer for fulfilling the obligations under the open offer in full.
- 6.2.6 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds through verifiable means, to fulfill the Offer obligations are in place.
- 6.2.7 Based on the above, the Manager to the Offer, hereby confirms that firm financial arrangements for payment through verifiable means are in place to fulfil the obligations by the Acquirer under the Offer.
- 6.2.8 In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirer would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision.

## 7. TERMS AND CONDITIONS OF THE OFFER

- 7.1 The Tendering Period will commence on **Tuesday, December 13, 2022** and will close on **Monday, December 26, 2022**.
- 7.2 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.
- 7.3 The Offer is being made to all Eligible Shareholders (i) whose names appear in the register of members of the Target Company at the close of business hours on Tuesday, November 29, 2022, i.e. the Identified Date, (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories as on the Identified Date and (iii) to persons who acquire Equity Shares before the closure of the Tendering Period and tender these Equity Shares into the Offer in accordance with this Letter of Offer. Persons who have acquired Equity Shares (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in the Offer.
- 7.4 This Letter of Offer specifying the detailed terms and conditions of the Offer along with the Form of Acceptance-cum-Acknowledgement will be mailed to all the Eligible Shareholders as on the Identified Date. Non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the Letter of Offer would be dispatched to each of the Eligible Shareholders is Tuesday, December 06, 2022. In terms of Regulation 18(2) the letter of offer shall be dispatched to the shareholders whose names appear on the register of members of the target company as of the identified date. The letter of offer may also be dispatched through electronic mode in accordance with the provisions of Companies Act, 2013. However, on receipt of a request from shareholder, the physical copy of the letter of offer will be provided. Every person holding shares, regardless of whether he held shares on the identified date or has not received the letter of offer, shall be entitled to tender such shares in acceptance of the open offer.
- 7.5 The Offer Documents will also be available and accessible on the websites of SEBI at 'www.sebi.gov.in', BSE at 'www.bseindia.com', NSE at 'www.nseindia.com' and Manager at 'www.hemsecurities.com'. In case of non-receipt of the Letter of Offer, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the website of SEBI for applying in this Offer.
- 7.6 There shall be no discrimination in the acceptance of locked-in (subject to continuation of the residual lock-in period in the hands of the Acquirer) and non locked-in Equity Shares in the Offer. To the best of our knowledge, the Target Company has no Equity Shares which are locked in (Public Shareholding). The Eligible Shareholders who tender their Equity Shares under the Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances and shall ensure that such Equity Shares when acquired by the Acquirer will be

acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including but not limited to the rights to all dividends, bonus and rights declared thereafter.

- 7.7 The Acquirer have appointed Purva Sharegistry (India) Private Limited, as the Registrar to the Offer, having their office located at Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India with contact number being +91 022- 022-23010771 /49614132, Fax No: 022 23012517, Email Address being ‘support@purvashare.com’ and website ‘www.purvashare.com’, CIN: U67120MH1993PTC074079, SEBI Regn. No. INR000001112, Ms. Deepali Dhuri, the contact person can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays, and all public holidays), during the Tendering Period.
- 7.8 Eligible Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by an Eligible Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer from such Eligible Shareholder.
- 7.9 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.
- 7.10 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s)/ Beneficial owner(s) of the Target Company. The Acquirer, Manager to the Offer or Registrar to the Offer will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 7.11 The instructions, authorisations and provisions contained in the Form of Acceptance-cum- Acknowledgement constitute an integral part of the Letter of Offer.
- 7.12 The Acquirer shall, within 10<sup>th</sup> Working Days from the last date of the Tendering Period of the Offer, complete all requirements under the SEBI (SAST) Regulations and other applicable law relating to the Offer including payment of consideration to the Eligible Shareholders who have validly tendered their acceptance to the Offer and for that purpose open a special account provided under Regulation 21(1).
- 7.13 Applications in respect of tendered Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under this Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities.
- 7.14 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.
- 7.15 The Manager to the Offer does not hold any Equity Shares in the Target Company. Further, the Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.
- 7.16 **STATUTORY AND OTHER APPROVALS AND CONDITIONS OF THE OFFER**
- 7.16.1 To the best of knowledge and belief of the Acquirer, as of the date of this LOO, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. However, if any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 7.16.2 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 Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

- 7.16.3 If any of the statutory approvals, are not met for reasons outside the reasonable control of the Acquirer, or in the event the statutory approvals are refused, the Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, the Acquirer will make a public announcement within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to SEBI, BSE, NSE and the Target Company at its Registered Office.
- 7.16.4 In case of delay / non-receipt of any statutory approval in terms of regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that delay/ non receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the equity shareholders for the delay as may be specified by SEBI.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 8.1 All the Shareholders, registered or unregistered, of the Target Company, except the Acquirer owning Equity Shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.
- 8.2 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 8.3 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/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and BSE notice no. 20170202-34 dated February 2, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017.
- 8.4 The shares of the Target Company are listed at BSE & NSE. BSE Limited shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Open Offer. The Selling members can enter orders for demat shares as well as physical shares.
- 8.5 The facility for acquisition of shares through stock exchange mechanism pursuant to the Offer shall be available on the BSE & NSE in the form of a separate window (“**Acquisition Window**”).
- 8.6 The Acquirer have appointed Hem Finlease Private Limited (“**Buying Broker**”) as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made during the Open Offers. The contact details of the Buying Broker are as mentioned below:

**Name:** Hem Finlease Private Limited

**Registered Address:** 203, Jaipur Tower, M. I. Road, Jaipur 302001, Rajasthan, India

**SEBI Registration Number:** INZ000167734, **CIN:** U67120RJ1996PTC011799

**Contact Person:** Ashok Soni; **Tel.:** 0141-4051000; **Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

- 8.7 The Public Shareholders who have registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through electronic means. If Public Shareholders who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the Letter of Offer by stating such Shareholder’s name, address, number of Equity Shares held on Identified Date, client ID number, DP name /ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Shareholder. The Public Shareholders who have not registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through physical mode by registered

- post / speed post / courier. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
- 8.8 All Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date (“Tendering Period”) for this Open Offer. Further, in accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).
- 8.9 All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“Selling Broker”), during the normal trading hours of the secondary market during the Tendering Period. Separate Acquisition window will be provided by NSE & BSE to facilitate placing of sell orders. For details in relation to tendering of Offer Shares held in physical form, please refer to section titled “**Procedure for tendering Equity Shares held in Physical form**” below of this part, for details in relation to tendering of Offer Shares held in physical form
- 8.10 The Selling Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender their Equity Shares in the Offer using the Acquisition Window of the BSE & NSE. Before placing the bid, the concerned Public Shareholder / Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.11 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session, at specific intervals, by the stock exchange during the Tendering Period.
- 8.12 Shareholders can tender their shares only through a broker with whom the Shareholder is registered as client (KYC Compliant).
- 8.13 In the event Selling Broker of the Shareholder is not registered with BSE & NSE then that equity Shareholder can approach the Buying Broker viz Hem Finlease Private Limited to facilitate tendering of equity shares under the offer.
- 8.14 The shares tendered in the offer would be held in trust by the Manager to the offer, till the acquirer completes the open offer obligations in terms of Regulations.
- 8.15 **Procedure for tendering Equity Shares held in dematerialised Form:**
- a) Public Shareholders who are holding the equity shares in demat form and who desire to tender their equity shares in this Offer shall approach their respective Selling Broker indicating to their broker the details of Equity Shares they intend to tender in Open Offer.
  - b) Shareholders shall submit Delivery Instruction Slips (“DIS”) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective depository participant/ selling broker so that equity Shares can be tendered in this Open Offer.
  - c) The Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
  - d) For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

- e) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- f) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the exchange bidding system to the Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered etc.
- g) The Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- h) The shareholders holding equity shares in demat mode are not required to fill any form of acceptance cum acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of the offer period.
- i) All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance-cum- Acknowledgement. The non-resident Public Shareholders holding Equity Shares in Demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance-cum- Acknowledgement along with the required documents to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be superscribed as “Grand Foundry Limited – Open Offer. The procedure and documents required to be submitted for tendering Equity Shares have been included in the Form of Acceptance-cum- Acknowledgement.

#### 8.16 Procedure to be followed by registered Shareholders holding Equity Shares in the physical form

In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Equity Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:-

- a) The Form of Acceptance-cum-Acknowledgement duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares
- b) Original share certificates
- c) Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order) and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer
- d) Self-attested copy of the Shareholder's PAN Card;
- e) Any other relevant documents such as (but not limited to):
  - Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement
  - Notarized copy of death certificate/succession certificate or probated will, if the original Shareholder has deceased
  - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- (i) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, voter identity card or passport.
- (ii) Selling Broker should place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- (iii) After placement of order, as mentioned in paragraph 8.12(iii), the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 8.12(i) either by registered post or courier or hand delivery to the

Registrar to the Offer (at the address mentioned on the cover page within 2 (two) days from the date of the above order, or if the above order is placed on the offer closing date, within 2 (two) days from the offer closing date (by 5 p.m) . The envelope should be superscribed as “**Grand Foundry Limited – Open Offer**”. One copy of the TRS along with supporting documents will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

- (iv) Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares by the Acquirer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the stock exchanges shall display such orders as unconfirmed physical bids “**Once, Registrar to the Offer confirms the orders it will be treated as Confirmed Bids**”.
- (v) In case any person has submitted Equity Shares in physical form for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.

8.17 Modification / cancellation of orders will not be allowed during the period the Offer is open. The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the Tendering Period.

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

9.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

9.1.1 A public shareholder may participate in the Offer by approaching their broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement.

9.1.2 The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or NSE website ([www.nseindia.com](http://www.nseindia.com)) or BSE website ([www.bseindia.com](http://www.bseindia.com)) or Merchant Bankers’ ([www.hemsecurities.com](http://www.hemsecurities.com)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

9.1.3 Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificate and Form SH 4 in case of shares being held in physical form. Such shareholders have to ensure that their order is entered in the electronic platform to be made available by NSE & BSE before the closure of the Offer.

9.2 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer do not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

### **9.3 Acceptance of Equity Shares**

9.3.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

9.3.2 In the event that the number of Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer



Shares, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager, 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 Shareholder shall not be less than the minimum marketable lot. The minimum marketable lot for the purposes of acceptance of equity shares of the target company would be 1(one) equity share.

## **10. SETTLEMENT PROCESS**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favour of Clearing Corporation.

The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

If the securities transfer instruction is rejected in the depository system, due to any issue, then such equity shares will be transferred to the selling broker's pool account for onward transfer to the public shareholders. In case of custodian participant orders, excess equity shares or unaccepted demat equity shares, if any, will be returned to the respective custodian participant. Any excess equity shares held in physical form pursuant to proportionate acceptance/rejection will be returned back to the public shareholders directly by the registrar through registered post/speed post at the public shareholders sole risk to the sole/first public shareholder (in case of joint public shareholders), at the address recorded with the registrar/target company.

### **SETTLEMENT OF FUNDS / PAYMENT CONSIDERATION**

The buying broker will make funds pay –in in the settlement account of the clearing corporation. For equity shares accepted under the offer, equity shareholders will receive funds payout directly in their respective bank accounts (in case of demat equity shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical equity shares).

However, in the event that the pay-outs are rejected by the equity shareholder's bank accounts due to any reason, the pay-out will be transferred to the respective selling broker's settlement accounts and their respective selling brokers will thereafter transfer the consideration to their equity shareholders.

Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations 2011.

## 11. NOTE ON TAXATION - GENERAL

- 11.1.1 Public shareholders who wish to tender their shares must submit the information all at one time as given in Form of Acceptance cum Acknowledgement and those that may be additionally requested by the acquirer may be submitted later as per the Acquirer's instructions. The documents submitted by the public shareholders along with Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer may not be accepted. In case the documents/information as requested in the Letter of Offer/form of acceptance –cum-acknowledgement are not submitted by a public shareholder, or the Acquirer considers the documents/information submitted by a public shareholder to be ambiguous/incomplete/conflicting, the Acquirer reserve the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the shareholder.
- 11.1.2 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 Acquirer.
- 11.1.3 Taxes once deducted will not be refunded by the Acquirer under any circumstances.
- 11.1.4 The Acquirer shall deduct tax (if required) as per 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 Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority
- 11.1.5 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 Acquirer 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.
- 11.1.6 Securities transaction tax may be applicable to the Equity Shares accepted in this Offer, as the tendering of Equity Shares is being undertaken on the stock exchange.
- 11.1.7 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his/her worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or is deemed to accrue or arise in India) as also income received by such person in India. In case of shares of a company, the source of income from shares will depend on the 'situs' of such shares. As per judicial precedents, the 'situs' of the shares is where a company is 'incorporated' and where its shares can be transferred.
- 11.1.8 Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be 'situated' in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- 11.1.9 Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ('DTAA') between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument ('MLI') as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of General Anti-Avoidance Rule ('GAAR') and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 11.1.10 The IT Act also provides for different income-tax regimes/rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

- 11.1.11 The Public Shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income-tax authorities, reporting their income for the relevant year.
- 11.1.12 The summary of income-tax implications on tendering of listed equity shares is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.
- 11.1.13 **Classification of Shareholders: Public Shareholders can be classified under the following categories:**
- a) Resident Shareholders being:**
- Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP') and Body of Individuals ('BOI')
  - Others:
    - (i) Company
    - (ii) Other Than Company
- b) Non-Resident Shareholders being:**
- Non-Resident Indians (NRIs)
  - Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
  - Others:
    - (i) Company
    - (ii) Other Than Company
- 11.1.14 Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e., stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 11.1.15 **Taxability of Capital Gains in the hands of shareholders**
- 11.1.16 Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' for income-tax purposes, unless specifically exempted, depending upon whether such shares were held as a capital asset or trading asset (i.e., stock-in-trade).
- 11.1.17 As per the current provisions of the IT Act, where the shares are held as investments (i.e., capital assets), income arising from the transfer of such shares is taxable under the head 'Capital Gains'. Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.
- 11.1.18 Capital Gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act.
- 11.1.19 Period of holding: Depending on the period for which the shares are held, the gains would be taxable as 'short-term capital gain/ STCG' or 'long-term capital gain/ LTCG':
- a) In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a 'short-term capital asset', and accordingly the gains arising therefrom should be taxable as 'STCG'.
- b) Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a 'long-term capital asset', and accordingly the gains arising therefrom should be taxable as 'LTCG'.
- 11.1.20 The Finance Act, 2018, vide Section 112A, has imposed an income tax on LTCG at the rate of 10% (plus applicable surcharge and health and education cess) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to STT upon

both acquisition and sale exceeding ₹ 1,00,000 (Rupees One lakh only) (without any indexation and foreign exchange fluctuation benefits).

11.1.21 As per section 111A of the IT Act, STCG arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (plus applicable surcharge and health and education cess) (except under specific categories).

11.1.22 LTCG arising from tendering of Equity Shares in the Offer shall be subject to tax as follows:

- a) LTCG will be chargeable to tax at the rate of up to 20% (plus applicable surcharge and health and education cess) in the case of a non-resident Public Shareholder (other than an FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
- b) In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).
- c) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost may not be available.
- d) For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation.

11.1.23 Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred under the Offer, will be subject to short term capital gains tax and shall be taxable at the rates prescribed in First Schedule to the Finance Act (i.e., applicable marginal tax rates applicable to different categories of persons) (plus applicable surcharge and health and education cess).

11.1.24 Taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act.

11.1.25 As per Section 70 of the IT Act, short-term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

11.1.26 Long-term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

#### **11.1.27 Investment Funds**

Under Section 10 (23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head, 'Profits and gains of business or profession' would be exempt from income tax but would be taxable in the hands of their investors. For this purpose, an 'Investment Fund' means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

#### **11.1.28 Mutual Funds**

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

### **11.1.29 Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade)**

If the shares are held as stock-in-trade by any of the eligible Public Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head 'Profits and Gains from Business or Profession'.

### **11.1.30 Profit of Resident Shareholders**

- (i) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- (ii) Domestic companies having turnover or gross receipts not exceeding ₹400 crores in the prescribed financial year, will be taxable @ 25%.
- (iii) Domestic companies which have opted for concessional tax regime under Section 115BAA and 115BAB of the IT Act will be taxable at 22%, upon meeting certain conditions.
- (iv) For persons other than stated in (A), (B) and (C) above, profits will be taxable @ 30%.
- (v) No benefit of indexation by virtue of period of holding will be available in any case.

### **11.1.31 Profit of Non-Resident Shareholders**

- (i) Non-resident Public Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant country of residence of the shareholder but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.
- (ii) Where DTAA provisions are not applicable:
- (iii) For non-resident individuals, HUF, AOP and BOI, profits (as determined in accordance with the provisions of the IT Act) will be taxable at slab rates.
- (iv) For foreign companies, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @40%.
- (v) For other non-resident Public Shareholders, such as foreign firms, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @30%.

11.1.32 The above disclosure on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of the equity shares. this disclosure is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. hence, the public shareholders are advised to consult their tax advisors for tax treatment arising out of the proposed offer through tender offer and appropriate course of action that they should take. the acquirer and the manager do not accept nor hold any responsibility for any tax liability arising to any public shareholder as a reason of this offer.

## **12. DOCUMENTS FOR INSPECTION**

The copies of the following documents are regarded as material documents and are available for inspection at 904, A wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, Maharashtra, India, the Corporate Office of Hem Securities Ltd., the Manager to the offer from 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) on any working day, except Saturdays, Sundays and Public Holidays during the Tendering Period commencing from Tuesday, December 13, 2022, to Monday, December 26, 2022. The copies of the following documents will also be made available on the website of the Manager at [www.hemsecurities.com](http://www.hemsecurities.com) under the head "Downloads" link for the same is <https://www.hemsecurities.com/download>, than select Sort By - "Open Offer" and further, if any Public Shareholders interested to inspect any of the documents in respect of this offer can send an email from their registered email ids with a subject line "Documents for Inspection – Grand Foundry Limited Open Offer, to the Manager of the Offer at [ib@hemsecurities.com](mailto:ib@hemsecurities.com) by providing details such as DP-ID-Client ID and Folio No etc:

1. Memorandum of Understanding between Manager to the Offer i.e. Hem Securities Limited and the Acquirer.
2. Nishant Khanna, (Membership No. 522259) partner of M/s. ANV & Co., Chartered Accountants (FRN No. 027349N), having their office located at C-85, 3rd Floor, Mansarover Garden, New Delhi-110 015 India, confirming that the Acquirer have sufficient liquid resources to fulfil the obligations under the SEBI (SAST) Regulations.

3. Audited financial reports of the Target Company for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and unaudited financials for three months period ended as on June 30, 2022 (Limited Reviewed by Statutory Auditor).
4. Undertaking from Acquirer, stating full responsibility for all information contained in the PA, DPS and the Letter of Offer.
5. Certificate from Axis Bank Limited confirming the amount kept in the Escrow Account within stipulated time i.e. October 17, 2022 .
6. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company.
7. Copy of the consent letter from the Registrar confirming acting as Registrar to the open offer
8. The copy of the Share Purchase Agreement dated Wednesday, October 12, 2022, entered between the Promoter Sellers and the Acquirer, which triggered this Offer.
9. Escrow Agreement between Acquirer, Escrow Bank, and Manager to the Offer.
10. Escrow Agreement between Acquirer, Buying Brokers, and Manager to the Offer.
11. Fair Valuation Report issued by Chartered Accountant, Mr. Nitin Khandelwal (Membership No 414387), partner of M/s Surender K Goyal & Co., Chartered Accountants, bearing Firm Registration number 005856C Dated October 12, 2022
12. Public Announcement dated Wednesday, October 12, 2022.
13. Copy of the Detailed Public Statement dated Tuesday, October 18, 2022, published on behalf of the Acquirer on Wednesday, October 19, 2022, in the Newspapers.
14. Copy of SEBI Observation letter bearing reference number SEBI/HO/CFD/DCR/RAC-1/P/OW/2022/59284/1 dated November 25, 2022 on the Draft Letter of offer filed with the Securities and Exchange Board of India.

### **13. DECLARATION BY THE ACQUIRER**

The Acquirer, accept full responsibility, for the information contained in this Letter of Offer and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof.

The Acquirer shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

#### **For Acquirer**

Sd/-  
**Madhu Garg**

**Place:** Delhi

**Date:** November 30, 2022

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**FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION  
(FOR HOLDING EQUITY SHARES IN PHYSICAL FORM)**

*(Please send this Form with TRS generated by the Selling Broker and enclosures to Registrar, Purva Shareregistry (India) Private Limited, at their address given in the Letter of Offer, as per the mode of delivery mentioned in the Letter of Offer)*

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

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

Folio Number: \_\_\_\_\_

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

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

Contact Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

<b>OFFER OPENS ON:</b> Tuesday, December 13, 2022
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<b>OFFER CLOSSES ON:</b> Monday, December 26, 2022
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To,

**The Acquirer**

**C/o Purva Shareregistry (India) Private Limited**

**Unit: Grand Foundry Limited – Open Offer**

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,

J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra

**Subject: Open offer made by the Acquirer for acquisition of up to 90,91,970 Equity Shares representing 29.88% of the Voting Share Capital from the Public Shareholders of Grand Foundry Limited.**

**Dear Sir/ Ma'am,**

I/We refer to the Letter of Offer Letter dated November 30, 2022 for acquiring the Equity Shares held by me/us in Grand Foundry Limited (“GFL”).

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We, hold shares, accept the offer and enclose the original Share certificate (s) and duly signed transfer deed (s) in respect of my/our Shares as detailed below:

**EQUITY SHARES HELD IN PHYSICAL FORM**

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

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
<b>Total Number of Equity Shares</b>					

*(In case of insufficient space, please use additional sheet and authenticate the same)*

I/We note and understand that the original Equity Share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar until the time the Acquirer pay the purchase consideration as mentioned in the 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.

**Enclosures** (please provide the following and √ whichever is applicable):

- i Original Equity Share certificates.
- ii Valid share transfer deed(s) duly filed, stamped, and signed by the transferor(s) (i.e., by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
- iii Form of Acceptance (FOA) – signed by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.

**(P.T.O.)**



- iv Photocopy of Transaction Registration Slip (TRS) Self-attested copy of PAN card of all the transferor(s).
- v Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport, or driving license.
- vi Any other relevant document (but not limited to) such as Power of Attorney (if any person apart from the Shareholder has signed the FOA), corporate authorization (including board resolution/specimen signature), notarized copy of death certificate, and succession certificate or probated will if the original shareholder has deceased, etc., as applicable. Shareholders of the Target Company holding physical Equity Shares should note that Physical Equity Shares will not be accepted unless the complete set of documents is submitted.

**FOR ALL PUBLIC SHAREHOLDERS (HOLDING EQUITY SHARES IN DEMAT OR PHYSICAL FORM)**

I/We confirm that the Equity Shares which are being tendered herewith by me/us under this Offer, are free from liens, charges, equitable interests, and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offer, if any, declared hereafter and that I/we have obtained any necessary consents to sell the equity shares on the foregoing basis.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender equity shares for Offer and that I/we am/are legally entitled to tender the equity shares for Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I/We agree that the Acquirer will pay the consideration as per the secondary market mechanism only after verification of the certificates, documents, and signatures, as applicable submitted along with this FOA.

I/We undertake to return to the Acquirer any Offer consideration that may be wrongfully received by me/us.

I/We give my/our consent to file form FCTRS, if applicable, on my/our behalf.

I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effect this Offer in accordance with the SEBI (SAST) Regulations.

I/We am/are not debarred from dealing in Equity Shares.

I/We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which they may decide to accept in consultation with the Manager and the Registrar and terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us in the demat account/share certificate(s) in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

In case of demat shareholders, I /We note and understand that the Equity Shares would be kept in the pool account of my/our broker and the lien will be marked by Clearing Corporation until the Settlement Date whereby the Acquirer make payment of purchase consideration as mentioned in the Letter of Offer.

In the case of physical shareholders, I/We note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar in trust for me/us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer or the date by which Original Share Certificate(s), Transfer Deed(s) and other documents are returned to the shareholders, as the case may be.

I/We confirm that no taxes or other claims are pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961.

I/We confirm that 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 me/us, I/we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and cooperate in any proceedings before any income tax/appellate authority.

**FOR NRIS/OCBS/ FIIS AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS**

I/We confirm that my/our status is (✓ whichever is applicable):

Individual	Foreign Company	FII / FPIs-Corporate	FII / FPIs-Others	FVCI
Foreign Company	Foreign Company	Foreign Company	Foreign Company	Foreign Company
FII / FPIs-Corporate	FII / FPIs-Corporate	FII / FPIs-Corporate	FII / FPIs-Corporate	FII / FPIs-Corporate
Others (Please Specify):				

I/We confirm that my/our investment status is (✓ whichever is applicable): FDI Route / PIS Route / Any Other (Please Specify):

I/We confirm that the Equity Shares tendered by me/us are held on (✓ whichever is applicable): Repatriable basis / Non-Repatriable basis

I/We confirm that (✓ whichever is applicable):

No RBI, FIPB, or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Offer and the Equity Shares are held under general permission of the Reserve Bank of India. The copies of all approvals required by me for holding Equity Shares that have been tendered in this Offer are enclosed herewith Copy of the RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We confirm that (✓ whichever is applicable):

No RBI, FIPB, or other regulatory approval is required by me for tendering the equity shares in this Offer.

Copies of all approvals required by me for tendering equity shares in this Offer are enclosed herewith.

In the case of shareholders holding Equity Shares in demat form, the bank account details for interest payment, if any, will be taken from the record of the Depositories.

In case of interest payments, if any, by the Acquirer for the delay in payment of Offer consideration or a part thereof, the

Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act, 1961.

Yours faithfully,

Signed and Delivered:

	Full Name(s) of the holders	Address and Telephone Number	PAN No.	Signature(s)
First / Sole Shareholder				
Second Shareholder				
Third Shareholder				

*Note: In the case of joint holdings, all holders must sign. In the case of body corporate, the rubber stamp should be affixed, and the necessary board resolution must be attached.*

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

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

## INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling up this Form of Acceptance cum Acknowledgement.
2. The Form of Acceptance cum Acknowledgement should be filled-up in English only.
3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4. Mode of tendering the Equity Shares pursuant to the Offer:
  - a. The acceptances of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of Grand Foundry Limited.
  - b. The Public Shareholders of Grand Foundry Limited to whom this Offer is being made, are free to Offer his / her / their shareholding in Grand Foundry Limited for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

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

## ACKNOWLEDGEMENT SLIP

**Subject: Open offer made by the Acquirer for acquisition of up to 90,91,970 Equity Shares representing 29.88% of the Voting Share Capital from the Public Shareholders of Grand Foundry Limited.**

### FOR PHYSICAL EQUITY SHARES

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

I / We, holding Equity Shares in the physical form, accept the Offer and enclose duly filled signed, and or stamped the original share certificate(s), transfer deed(s), and Form of Acceptance in 'market' mode, duly acknowledged by me/us in respect of my Equity Shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
<b>Total Number of Equity Shares</b>					

### FOR DEMAT EQUITY SHARES

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

I / We, holding Equity Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in 'market' mode, duly acknowledged by my/our Depository Participant in respect of my shares as detailed below:

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

Stamp of Collection Centre	Signature of Official	Date of Receipt

Note: All future correspondence, if any, should be addressed to the Registrar at the address mentioned above.

Purva Shareregistry (India) Private Limited

**Unit: Grand Foundry Limited – Open Offer**

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,

J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India

**Telephone Number:** +91 022- 022-23010771 /49614132

Fax No: 022 23012517

**E-mail Address:** [support@purvashare.com](mailto:support@purvashare.com)

**Website:** [www.purvashare.com](http://www.purvashare.com)

**Contact Person:** Ms. Deepali Dhuri

**SEBI Registration Number:** INR000001112

**Validity:** Permanent

**FORM NO. SH-4 - SECURITIES TRANSFER FORM**

[Pursuant to section 56 of the Companies act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

**Date of Execution**...../...../.....

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L99999MH1974PLC017655

**Name of the company (in full): GRAND FOUNDRY LIMITED**

Name of the Stock Exchange where the company is listed, if any:

BSE Limited and National Stock Exchange of India Limited

**DESCRIPTION OF SECURITIES:**

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Share	₹4/- (Rupees Four Only) each	₹4/- (Rupees Four Only) each	₹4/- (Rupees Four Only) each

No. of Securities being Transferred		Consideration Received (Rs)	
In Figures	In Words	In words	In figures

Distinctive Number	From			
	To			

Corresponding Certificate No s:			

**TRANSFEROR'S PARTICULARS**

Registered Folio Number:		
Name(s) in full	PAN	Signature(s)
1.		
2.		
3.		

**Attestation:**

I hereby confirm that the transferor has signed before me.

Signature of the witness: \_\_\_\_\_

Name of the witness: \_\_\_\_\_

Address of the witness: \_\_\_\_\_

Pin Code: \_\_\_\_\_

**TRANSFeree'S PARTICULARS-**

Name in full (1)	Father's/ mother's/ spouse name (2)	Address, phone no. and Email Address (3)
Occupation (4)	Existing folio no., if any (5)	Signature (6)
		1.
		2.
		3.
Folio No. of Transferee		Specimen Signature of Transferee(s)
		1.
		2.
		3.

**Declaration:**

- (1) Transferee is not required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to the transfer of shares; or
- (2) Transferee is required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to the transfer of shares and the same has been obtained and is enclosed herewith.

Value of stamp affixed: \_\_\_\_\_ (₹)

**Stamps:**

<b>Enclosures:</b> (1) Certificate of shares or debentures or other securities (2) If no certificate is issued, letter of allotment. (3) Copy of PAN CARD of all the Transferees (For all listed Cos). (4) Other, Specify _____	
<b>For office use only</b> Checked by _____ Signature tallies by _____ Entered in the Register of Transfer on _____ vide Transfer No. _____ Approval Date _____ Power of attorney/Probate/Death Certificate/Letter of administration Registered on _____ at No. _____	

On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Shares	Date of Transfer
			Signature of authorized signatory