LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Letter of Offer is sent to you as a shareholder(s) of INDO GULF INDUSTRIES LIMITED**.** If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER
BY
M/s. Ganesh Explosives Private Limited
(hereinafter referred to as "**the Acquirer" or "GEPL")**
having its registered office at 152/4/1, Rajpur Road, Dehradun – 248 001
Tel: (135) 2735249, Fax: (135) 2733960
E-mail: ganeshexplosives@gmail.com, Website: www.blackpowder.in

To the shareholders of
INDO GULF INDUSTRIES LIMITED (**hereinafter referred to as** "**IGIL**" or the "**Target Company**")
having its registered office at 213, Rectangle-1, D-4 District Centre, Saket, New Delhi – 110 017
Tel / Mobile No. – 09711991047; Fax: 011-41029017, E-mail : igilmaizapur@rediffmail.com
Website: www.indogulfind.com

For the acquisition of 24,87,491 (Twenty Four Lakhs Eighty Seven Thousand Four Hundred and Ninety One) fully paid-up equity shares of Re. 1/- each, representing 26% of the total paid up equity and voting share capital at a price of Rs. 0.40 (Forty Paise Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

Please Note:

1. This Offer is being made by the Acquirer pursuant to regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.

2. There are no statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.

3. If there is any upward revision in the Offer Price/Size at any time up to three (3) working days prior to commencement of the tendering period viz. 13.04.2017 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement dated 03.02.2017 had appeared. Such revision in the Offer Price would be payable by the Acquirer for all the shares validly tendered anytime during the offer. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.

4. **There is no competitive bid**.

5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/ Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.

6. This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations.

7. The Procedure for acceptance and settlement is set out in Para 7 of this Letter of Offer. A Form of Acceptance cum Acknowledgement is enclosed with this Letter of Offer.

8. A copy of the Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at SEBI's website www.sebi.gov.in.

MANAGER TO THE OFFER:		**REGISTRAR TO THE OFFER:**
VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma) 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.–2C, Kolkata-700 013 Phone No : (033) 22253940 Fax : (033) 2225 3941 Email: mail@vccorporate.com		**BEETAL FINANCIAL AND COMPUTER SERVICES PRIVATE LIMITED** SEBI Regn. No.: INR 000000262 Contact Person: Mr. Punit Mittal BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110 062 Ph.: 011-29961281/82/83 Fax: 011-29961284 Email:beetalrta@gmail.com
TENDERING PERIOD OPENS ON: **20.04.2017 (THURSDAY)**		**TENDERING PERIOD CLOSES ON**: **04.05.2017 (THURSDAY)**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original		Revised	
	Date	Day	Date	Day
Date of the Public Announcement(PA)	27.01.2017	Friday	27.01.2017	Friday
Publication of Detailed Public Statement in newspapers	03.02.2017	Friday	03.02.2017	Friday
Last date of a Competing Offer	27.02.2017	Monday	27.03.2017	Monday
Identified Date*	08.03.2017	Wednesday	05.04.2017	Wednesday
Date by which the Letter of Offer will be dispatched to the shareholders	16.03.2017	Thursday	12.04.2017	Wednesday
Last date for upward revision of Offer Price and/or Offer Size	17.03.2017	Friday	13.04.2017	Thursday
Last date by which Board of the Target Company shall give its recommendation	21.03.2017	Tuesday	17.04.2017	Monday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	22.03.2017	Wednesday	19.04.2017	Wednesday
Date of commencement of tendering period	23.03.2017	Thursday	20.04.2017	Thursday
Date of closing of tendering period	07.04.2017	Friday	04.05.2017	Thursday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	24.04.2017	Monday	19.05.2017	Friday

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.*

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirer:

Risks involved relating to Transaction

1. The Share Purchase Agreement (SPA) dated 27.01.2017 contains a clause to the effect that the SPA is subject to the provisions of the SEBI (SAST) Regulations and in case of non-compliance of any provisions of the Regulations by the Acquirer or the Seller, the SPA shall not be acted upon by the parties.

Risks involved relating to the Offer

1. The Offer involves an offer to acquire upto 26% of the total equity and voting share capital of IGIL from the eligible persons for the Offer. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.

2. In the event that either (a) regulatory approval are not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of IGIL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.

3. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.

4. The Equity Shares tendered in the Offer will be held in the pool account of the broker / in trust by the Clearing Corporation/Registrar to the Offer, until the completion of the Offer formalities and accordingly, the Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares during such period. It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

5. Presently the Offer is not subject to the receipt of statutory and regulatory approvals by the Acquirer. However, the Offer would be subject to all statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of the regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

Risks involved in associating with the Acquirer:

1. The Acquirer intend to acquire upto 24,87,491 fully paid-up equity shares of Re.1/- each, representing 26% of the total equity and voting share capital at a price of Rs. 0.40 (Forty Paise Only) per equity share, payable in cash under the SEBI (SAST) Regulations. IGIL does not have any partly paid-up equity shares as on the date of the PA. Post this Offer, the Acquirer will have significant equity ownership & effective management control over the Target Company pursuant to regulations 3(1) & 4 of the SEBI (SAST) Regulations.

2. The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirer makes no assurance with respect to the financial performance of the Target Company and their investment/divestment decisions relating to their proposed shareholding in the Target Company.

3. The Acquirer and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

4. The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

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

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DEFINITIONS/ABBREVIATIONS

Acquirer	M/s. Ganesh Explosives Private Limited
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth(-)preference share capital /Number of equity shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
BSE	BSE Limited
ASE	Ahmedabad Stock Exchange Limited
DIS	Delivery Instruction Slip
DPS	Detailed Public Statement dated 03.02.2017
ECS	Electronic Clearing Service
Escrow Banker	HDFC Bank Limited
Equity and voting share capital	Rs. 95.67 Lakhs comprising of 95,67,270 equity shares of Re. 1/- each
FOA or Form of Acceptance	Form of Acceptance– cum– Acknowledgment accompanying the Letter of Offer
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer
LOF	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	From 27.01.2017 to 19.05.2017
Offer Price	Rs. 0.40 (Forty Paise Only) per equity share payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirer to acquire 24,87,491 equity shares of Re.1/-(Rupee One Only) each, representing 26 % of the total equity and voting share capital at a price of Rs. 0.40 (Forty Paise Only) per equity share
PA	Public Announcement dated 27.01.2017
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of equity shares of IGIL, (except the parties to the SPA) and persons deemed to be acting in concert with the parties to the SPA.
RBI	Reserve Bank of India
Registrar to the Offer	Beetal Financial and Computer Services Private Limited,
Return on Net Worth	(Profit After Tax/Net Worth)*100
Sale Shares	51,62,470 equity shares of face value of Re. 1/- each forming part of the SPA between the Acquirer and the Seller.
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Seller or Present Promoters	M/s. Balrampur Chini Mills Limited
SPA or Agreement	Share Purchase Agreement dated 27.01.2017 entered amongst the Acquirer, Shri Rajesh Jain, Seller and the Target Company.
Target Company / IGIL	Indo Gulf Industries Limited
Tendering Period	Period commencing from 20.04.2017 and closing on 04.05.2017 (both days inclusive)

Note: All terms beginning with a capital letter used in this LOF, but not otherwise defined herein, shall have the meaning ascribed thereto in that particular section or in the SEBI (SAST) Regulations unless specified.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF IGILTO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGETCOMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 09.02.2017TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

2. DETAILS OF THE OFFER:

2.1 Background of the Offer:

2.1.1. This Open Offer ("**Offer**") is being made by the Acquirer in compliance with regulations 3(1) & 4 of the SEBI (SAST) Regulations, to the equity shareholders of Indo Gulf Industries Limited (hereinafter referred to as "**Target Company**" or "**IGIL**") a Company incorporated and duly registered under the Companies Act, 1956 and having its registered office at 213, Rectangle-1, D-4 District Centre, Saket, New Delhi – 110 017.

2.1.2. The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

2.1.3. There is no Person Acting in Concert ("PAC") with the Acquirer for the purpose of this Open Offer in terms of regulation 2(1)(q)(2) of the SEBI (SAST) Regulations.

2.1.4. The Acquirer is making an Open Offer to acquire upto24,87,491Equity Shares of Re. 1/- each representing 26% of total equity and voting share capital of the Target Company, at a price of Rs. 0.40(Forty Paise Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

2.1.5. The Acquirer has entered into a Share Purchase Agreement dated 27.01.2017 with the present Promoter of the Target Company, viz., M/s. Balrampur Chini Mills Limited to acquire from them in aggregate 51,62,470 (Fifty One Lakhs Sixty Two Thousand Four Hundred and Seventy Only) equity shares of Re. 1/- each representing 53.96% of the fully paid-up equity and voting share capital of the Target Company at a price of Rs. 0.40 (Forty Paise Only) per fully paid-up equity share payable in cash ("**Negotiated Price**") for a total consideration of Rs. 9,94,996.40 (Rupees Nine Lakhs Ninety Four Thousand Nine Hundred Ninety Six and Forty Paise Only). Pursuant to the execution of the SPA, this mandatory Open Offer is being made by the Acquirer in compliance with the regulations 3(1) & 4 of the SEBI (SAST) Regulations. The Offer is not a result of Global Acquisition resulting in indirect acquisition of Target Company.

2.1.6. The Acquirer has not acquired any equity shares/voting rights of IGIL during the fifty- two weeks (52) period immediately preceding the date of the PA. The Acquirer has entered into the Share Purchase Agreement on 27.01.2017 with the present Promoters/ Promoter Group of IGIL for acquisition of 51,62,470equity shares representing 53.96% of the fully paid-up equity and voting share capital of IGIL. As on date the Acquirer holds 2,50,000 0.001% Non-Convertible Non-Cumulative Redeemable Preference Shares of Rs. 100/- each in the Target Company. Further Mr. Rajesh Jain, the main promoter of the Acquirer is also a non-executive non independent director on the Board of the Target Company.

2.1.7. The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

2.1.8. The Salient features of the Share Purchase Agreement are as follows:

a. The total consideration payable by the Acquirer for acquisition of 51,62,470 equity shares ("Sale shares") representing 53.96% of the Equity Share Capital of the Target Company, at the negotiated price of Re. 0.40 (Forty Paise only)per fully paid-up equity shares is Rs. 20,64,988 (Rupees Twenty Lakhs Sixty Four Thousand Nine Hundred and Eighty Eight Only)

b. The Sale shares are under lock-in till April 25, 2017 pursuant to the order of BSE Limited passed on account of revocation of suspension of the equity shares of the Target Company in terms of the SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015.

c. The parties to the SPA to sign an Indemnity Agreement in the format annexed to the SPA before the transfer of Sale Shares from the Seller to the Purchaser.

d. The SPA is subject to the compliances of provisions of SEBI (SAST) Regulations 2011 and in case of any non-compliance of any provisions of SEBI (SAST) Regulations, 2011, the SPA shall not be acted upon.

2.1.9. The Acquirer has not been prohibited by the SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended ("**SEBI Act**") or under any other regulation made under the SEBI Act.

2.1.10. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will get reduce below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Acquirer undertakes that they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules, 1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Regulations 7(4) and 7(5) of the SEBI (SAST) Regulations and will reduce the non-public shareholding within the period mentioned therein.

2.1.11. The recommendation of the committee of Independent Directors of the Target Company on the Offer will be published at least two (2) working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy of the same shall be sent to SEBI, BSE, ASE and in case of a competing offer/s to the Manager to the Offer for every competing offer in compliance of regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed Offer:

2.2.1. The Detailed Public Statement pursuant to the Public Announcement made by the Acquirer has appeared in Financial Express (English Daily) all editions, Jansatta (Hindi Daily) all editions and Mumbai Lakshadweep (Marathi Daily) in compliance with regulation 14 (3) of the SEBI (SAST) Regulations. The Detailed Public Statement made on 03.02.2017 is also available on the SEBI website at www.sebi.gov.in

2.2.2. The Acquirer proposes to acquire from the existing equity shareholders of IGIL(except the parties to the SPA) upto24,87,491 equity shares of Re. 1/- each representing 26% of total equity and voting share capital of the Target Company, at a price of Rs. 0.40 (Forty Paise Only) (the "**Offer Price**") per equity share payable in cash (the "**Offer**" of "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

2.2.3. The Target Company does not have partly paid-up equity shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage.

2.2.4. The entire equity shareholding of the promoter is under lock-in till April 25, 2017 imposed pursuant to SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015, upon the revocation of suspension of the equity shares of the Target Company by BSE.

2.2.5. The Acquirer will accept all the equity shares of IGIL those that are tendered in valid form in terms of this Open Offer upto a maximum of 24,87,491fully paid-up equity shares of Re. 1/- each representing 26% of the total equity and voting share capital of the Target Company.

2.2.6. The Acquirer have not acquired any shares of Target Company after the date of PA i.e. 27.01.2017 and upto the date of this LOF.

2.2.7. There is no competitive bid to the offer. There is no differential pricing in the Offer.

2.2.8. This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations, and not a Competitive Bid in terms of the regulation 20 the SEBI (SAST) Regulations.

2.2.9. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

2.3 Object of the Offer:

2.3.1 The prime object of the Open Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

2.3.2 This Open Offer is for acquisition of 26% of total equity and voting share capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of equity shares so acquired under SPA, the Acquirer shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective management and control over the Target Company.

2.3.3 Subject to satisfaction of the provisions under the Companies Act, 1956/ 2013, whichever applicable, the SEBI (SAST) Regulations and/ or any other Regulation(s), the Acquirer intend to control & make changes in the management of IGIL.

2.3.4 The prime object of the Offer is to acquire substantial stake and change the control and management of the Target Company. The Acquirer proposes to continue and expand the existing business of the Target Company and may also diversify into other business with prior consent of the shareholders and in accordance with the laws applicable.

2.3.5 The Acquirer does not have any plan to dispose of or otherwise encumber any significant assets of IGIL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed of or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that itshall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

3. BACKGROUND OF THE ACQUIRER:

3.1. M/s. Ganesh Explosives Private Limited ('GEPL')

3.1.1. Ganesh Explosives Private Limited was incorporated on 21st day of June,1993 with the Registrar of Companies, Tamil Nadu. The registered office of GEPL is currently situated at 152/4/1, Rajpur Road Dehradun – 248 001. Tel: (135) 2735249, Fax: (135) 2733960, Email: ganeshexplosives@gmail.com, website www.blackpowder.in. The CIN of GEPL is U24292UR1993PTC001667.

3.1.2. GEPL is engaged in the manufacture of high explosive as well as Black Gun Powder, safety fuse, vosco fuse, quick match, ignitor cord, pyrotechnical devices, combustible components and sharp.

3.1.3. GEPL is promoted by Mr. Rajesh Jain. He along with his wife Mrs Charu Jain holds the entire share capital of GEPL. Mr. Rajesh Jain, Mrs. Charu Jain, Mr. Rishab Jain and Mr. Sukant Pandey are the directors of GEPL. The shares of GEPL are not listed on any stock exchanges as of the date of this Letter of Offer.

3.1.4. GEPL does not belong to any group.

3.1.5. With respect to the Target Company, Acquirer has complied with all the provisions of Chapter V of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto wherever applicable..

3.1.6. The shareholding pattern of M/s. Ganesh Explosives Private Limited is given below:

Sr. No	Shareholder's Category	No. and Percentage of shares held
1	Promoters	9,56,548 (100%)
2	FII/ Mutual –Funds/FIs/ Banks	-
3	Public	-
	Total Paid Up Capital	9,56,548 (100%)

3.1.7. The name, address and DIN of the Board of Directors of M/s. Ganesh Explosives Private Limited is given below:

Sr. No	Name and Designation	Address	Qualification and Experience	Date of appointment	DIN
1	Rajesh Jain	154, Rajpur Road, Dehradun-248001	Qualification: MBA Experience: 25 years of experience in running explosives Industry.	20.10.1993	01200520
2	Charu Jain	154, Rajpur Road, Dehradun-248001	Qualification: BSC Experience: 15 years of experience in running explosives Industry.	27.09.2002	01200564
3	Rishab Jain	154, Rajpur Road, Dehradun-248001	Qualification: Graduate Experience: 4 years of experience in running Explosives Industry	1.11.2008	02329777
4	Sukant Pandey	18/A Madan Mohan Malviya Marg, Lucknow- 226020	Qualification: M.Sc Chemistry Experience: 29 years of experience in Explosives Industry	1.11.2008	02333893

Mr. Rajesh Jain is also a non-executive non- independent director on the board of the Target Company and he has not and will not participate in any deliberation of the board or vote on any matter in relation to the Open Offer in adherence with regulation 24(4) of the SEBI (SAST) Regulations.

3.1.8. Brief Audited Financials of GEPL for the last 3 financial years ended 31.03.2016, 31.03.2015 and 31.03.2014 and un-audited certified financials for the 6 months period ended September 30, 2016 are given hereunder:

Profit & Loss Statement **(Rs. in Lacs)**

For the Year Ended	Year ended 31.03.2014 (Audited)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2016 (Audited)	Six months period ended 30.09.2016 (Certified & Un-audited)
Income from Operations	398.91	734.32	1335.05	473.03
Other Income	2.31	9.48	12.32	0.26
Total Income	**401.22**	**743.80**	**1347.37**	**473.29**
Total Expenditure (excluding Interest, Depreciation and Tax)	362.98	688.77	1219.98	398.47
Profit/ (Loss) before Interest, Depreciation & Tax	38.24	55.03	127.39	74.82
Depreciation	31.40	99.31	70.27	38.50
Interest	2.21	4.87	17.03	9.44
Profit / (Loss) before tax	**4.63**	**(49.15)**	**40.09**	**26.88**
Provision for Tax (including Deferred tax)	4.23	(22.58)	12.84	0.00

For the Year Ended	Year ended 31.03.2014 (Audited)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2016 (Audited)	Six months period ended 30.09.2016 (Certified & Un-audited)
Profit/ (Loss) After tax	**0.40**	**(23.57)**	**27.25**	**26.88**

Balance Sheet **(Rs. in Lacs)**

As on	Year ended 31.03.2014 (Audited)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2016 (Audited)	Six months period ended 30.09.2016 (Certified & Un-audited)
Sources of funds				
Paid up share capital	50.00	50.00	95.65	95.65
Reserves & Surplus (excluding revaluation reserves and capital reserves)	44.34	17.01	44.26	71.14
Less: Miscellaneous Expenditure not written off	0.00	0.00	0.00	0
Net Worth	**94.34**	**67.01**	**139.91**	**166.79**
Capital Reserve	91.45	91.45	91.45	91.45
Share Application Money pending	45.66	45.66	0.00	0.00
Non-Current Liabilities	0.00	69.53	108.30	72.41
Total	**231.45**	**273.65**	**339.66**	**330.65**
Uses of funds				
Net Fixed Assets	231.69	175.63	228.56	229.90
Other Non-Current Assets	81.38	144.43	421.55	427.45
Net Current Assets	(81.62)	(46.41)	(310.45)	(326.70)
Total	**231.45**	**273.65**	**339.66**	**330.65**

Other Financial Data

For the Year Ended	Year ended 31.03.2014 (Audited)	Year ended 31.03.2015 (Audited)	Year ended 31.03.2016 (Audited)	Six months period ended 30.09.2016 (Certified & Un-audited)
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	0.08	(4.72)	5.45	2.81

Note: (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
(ii) EPS is not annualized for half yearly figures.
(iii) Source: Annual Audited Report/ Certified & Un-audited Financial Statements.

3.1.9. There are no major contingent liabilities as on date of M/s. Ganesh Explosives Private Limited.

4. BACKGROUND OF THE TARGET COMPANY:

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

4.1. Indo Gulf Industries Limited ('**IGIL**') was incorporated on March 05, 1981 under the Companies Act, 1956 in the name and style of Indo Gulf Explosives Ltd with the Registrar of Companies, NCT of Delhi and Haryana. Subsequently, the name of the Target Company has been changed to Indo Gulf Industries Ltd. vide fresh certificate of incorporation dated September 01, 1994 issued by the Registrar of Companies, NCT of Delhi and Haryana. The CIN of IGIL is L74900DL1981PLC011425. The registered office of IGIL is situated at 213, Rectangle- One, D-4 District Centre, Saket, New Delhi – 110 017. Tel No. – 09711991047,09711991046, Fax: 011-41029017, email :igilmaizapur@rediffmail.com.

4.2. The Authorized Share Capital of IGIL is Rs. 2000.00 Lacs divided into 15,00,00,000 Equity Shares of the face value of Re. 1/- each and 5,00,000 Preference Shares of the face value of Rs. 100 each. The Issued, Subscribed & Paid-up Capital of the IGIL is Rs. 345.67 Lacs comprising of 95,67,270 equity shares of face value of Re. 1/- each and 2,50,000 Non Convertible, Non Cumulative, Redeemable Preference Shares of Face Value Rs. 100 each. IGIL has established its connectivity with both the National Securities Depositories Limited and Central Depositories Services (India) Limited. The ISIN of IGIL is INE684U01011 & the marketable lot for equity share is 1 (One).

4.3. IGIL had been engaged in the business of manufacturing Industrial explosives. Its explosives manufacturing units are situated at Babina, Singrauli, Korba, Talcher and IB valley. The manufacturing units of the Company are lying closed since June 2001. Management of the Target Company is currently taking steps towards rehabilitation and commencement of operations.

4.4. As on date, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.

4.5. The entire equity shareholding of the promoter is under lock-in till April 25, 2017 imposed pursuant to SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015, upon the revocation of suspension of the equity shares of the Target Company by BSE.

4.6. The equity shares of IGIL are listed at The BSE Limited ('BSE') and the Ahmadabad Stock Exchange Limited ("ASE") only. Board of Industrial and Financial Reconstruction (BIFR) had sanctioned a Rehabilitation Scheme of the Target Company in the year 2010 and directed the ASE to waive all past dues and delist the shares of the Target Company and accordingly IGIL

had vide letter dated February 11, 2011 made an application to ASE for delisting. We have vide our letter reference no VCC/03/17/18 dated March 15, 2017 have written to ASE to provide the status of the Delisting of the Target Company with ASE however we have not yet received any reply from ASE on the same. The current status of the delisting with ASE is not available with us. Based on available information the equity shares of IGIL are infrequently traded on BSE and ASE within the meaning of definition "frequently traded shares" under regulation 2(1)(j) of the SEBI (SAST) Regulations.

4.7. The Equity Share Capital of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid-up Equity Shares	95,67,270	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	95,67,270	100%
Total Voting Rights in the Target Company	95,67,270	100%

4.8. As on the date of this LOF, the Board of Directors of IGIL are as follows:

NAME OF DIRECTORS	DESIGNATION	DIN	DATE OF APPOINTMENT
Mr. Vimal Kumar Jain	Director	01141926	20.12.2006
Mr. Rajesh Jain	Director	01200520	14.12.2013
Mr. Shyam Lal Gouniyal	Director	01856426	23.09.2011
Mr. Gorachand Dutta	Director	03628437	23.09.2011
Ms. Anjali	Director	07612147	24.09.2016

Mr. Rajesh Jain is the main Promoter and director of the Acquirer. As per regulation 24(4) of the SEBI (SAST) Regulations Mr. Rajesh Jain will not participate in any deliberation of the board or vote on any matter in relation to the Open Offer.

4.9. There has been no merger / demerger or spin off involving IGIL during the last 3 years.

4.10. Financial Information:

Brief audited financial information of the Target Company for the year ended 31.03.2016, 31.03.2015 and 31.03.2014 are as follows and un-audited limited reviewed financials for the 6 months period ended September 30, 2016 are given hereunder:

Profit & Loss Statement **(Rs. in Lacs)**

Particulars	31st March 2016 (Audited)	31st March 2015 (Audited)	31st March 2014 (Audited)	Six months period ended on 30th September, 2016 Certified & Un-audited)
Income from Operations	-	-	-	-
Other Income	3.30	418.76	5.70	7.45
Total Income	**3.30**	**418.76**	**5.70**	**7.45**
Total Expenditure	5.99	4.70	5.19	19.91
Profit/ (Loss) before Interest, Depreciation and Tax	(2.69)	414.06	0.51	(12.46)
Depreciation	9.19	31.67	13.25	4.58
Interest	-	-	-	-
Profit/ (Loss) before Tax	**(11.89)**	**382.38**	**(12.74)**	**(17.04)**
Provision for Tax (including fringe benefit tax)	-	-	-	-
Profit/ (Loss) after tax	**(11.89)**	**382.38**	**(12.74)**	**(17.04)**

Balance Sheet **(Rs. in Lacs)**

Particulars	31st March 2016 (Audited)	31st March 2015 (Audited)	31st March 2014 (Audited)	Six months period ended on 30th September, 2016 Certified & Un-audited)
Sources of funds				
Paid-up Share Capital	345.67	95.67	95.67	345.67
Reserves & Surplus (excluding revaluation reserves)	(333.52)	(321.64)	(703.69)	(350.56)
Less:- Miscellaneous Expenditure not written off	-	-	-	-
Net Worth	**12.15**	**(225.96)**	**(608.02)**	**(4.89)**
Secured Loans	-	-	-	-
Unsecured Loans	308.38	308.38	670.63	(308.38)
Total	**320.53**	**82.42**	**62.61**	**303.49**
Uses of funds				
Net Fixed Assets	147.86	157.06	189.06	143.28
Investments	-	-	-	-
Net Current Assets	172.64	(74.64)	(126.45)	160.21
Total	**320.53**	**82.42**	**62.61**	**303.49**

Other Financial Data

Particulars	31st March 2016 (Audited)	31st March 2015 (Audited)	31st March 2014 (Audited)	Six months period ended on 30th September, 2016 Certified & Un-audited)
Dividend (%)	-	-	-	-
Earnings Per Share (Rs.)	(0.12)	4.00	(0.13)	(0.18)
Return on Net worth (%)	(97.86%)	N.A.	N.A.	N.A
Book Value Per Share (Rs.)	(2.49)	(2.36)	(6.36)	(2.66)

Note: (i) EPS = Profit after tax / number of outstanding equity shares at the close of the financial year/ period.
(iv)Return on Net Worth = Profit after Tax / Net Worth.
(v) Book Value per Share = Net Worth-Preference Share Capital / No. of equity shares.
(vi)Source: Annual Audited Report and Unaudited limited reviewed financials.

4.11 Pre and Post-Offer Shareholding Pattern of IGIL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Shareholding/voting rights prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group:								
Parties to the Agreement:								
- Balrampur Chini Mills Limited	51,62,470	53.96%	(51,62,470)	(53.96%)	0	0	0	0
(b)Promoters other than (a) above	0	0						
Total 1 (a+b)								
2. Acquirer~~& Persons Acting in Concerts (PACs):~~								
(i) Acquirer:								
- M/s. Ganesh Explosives Pvt. Ltd.	0	0	51,62,470	53.96%	24,87,491	26%	76,49,961	79.96%
Total 2								
3. Parties to Agreement other than 1(a) & 2	0	0						
Total 3								
4. Public (other than Parties to Agreement and Acquirer)								
a. FIs/MFs/FIIs/Banks/SFIs:	0	0						
b. Others:	44,04,800	46.04%			(24,87,491)	(26%)	19,17,309	20.04%
Total No. of Shareholders in Public Category is 18015 Total (4) (a+b)								
GRAND TOTAL (1+2+3+4)	**95,67,270**	**100.00%**					**95,67,270**	**100.00%**

5. OFFER PRICE & FINANCIAL ARRANGEMENTS:

5.1. Justification of Offer Price:

5.1.1. The equity shares of the Target Company are listed on BSE and ASE . The Security Code of IGIL is "506945" on BSE. The marketable lot for equity share is 1 (One). This acquisition of shares is direct acquisition as per the regulations 3(1) and 4 of the SEBI (SAST) Regulations.

5.1.2. Since there has been no trading in the equity shares of the Target Company on BSE and ASE for last many years, the equity shares of the Target Company are not frequently traded within the meaning of the definition "frequently traded shares" under regulation 2(1)(j) of the SEBI (SAST) Regulations and therefore the Offer Price has been determined taking into account the parameters as set out under regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In Rs. per share)
1.	Negotiated Price under the SPA	0.40
2.	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirer during fifty- two (52) weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during twenty-six (26) weeks immediately preceding the date of PA	Not Applicable
4.	The Volume-Weighted Average Market Price of shares for a period of sixty (60) trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	**Other Financial Parameters as at 31st March, 2016:**	
	Return on Net Worth (%)	Not Meaningful
	Book Value Per Share*	(2.49)
	Earnings Per Share	(0.12)

* Book Value per Share = Net Worth-Preference Share Capital / No. of equity shares.

Mr. Sanjeev Kumar Gupta, Partner of M/s. M. Kumar Jain & Co, Chartered Accountants, (Firm Registration No.315182E & Membership No. 407221), having office at 7A, Kiran Shankar Ray Road, Kolkata – 700 001, contact no. (033) 22487972, e-mail id: mkj_1988@yahoo.co.in vide their certificate dated 27.01.2017 has stated that the fair value of the equity shares of Target Company is Rs. (4.03) per equity share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 0.40paise (Forty Paise Only) per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

5.1.3. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

5.1.4. As on date of this LOF there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

5.1.5. If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

5.2. Financial arrangements:

5.2.1 The maximum consideration payable by the Acquirer to acquire 24,87,491 fully paid-up equity shares at the Offer Price of Rs. 0.40 paise (Forty Paise Only) per equity share, assuming full acceptance of the Offer would be Rs. 9,94,996.40 (Rupees Nine Lakhs Ninety Four Thousand Nine Hundred and Ninety Six and Forty Paise Only).

5.2.2 As on the date of PA, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of its own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions is envisaged. Mr. Sanjeev Kumar Gupta, Partner of M/s. M. Kumar Jain & Co, Chartered Accountants, (Firm Registration No. 315182E & Membership No.407221), having office at 7A, Kiran Shankar Ray Road, Kolkata – 700 001, contact no. (033) 22487972, e-mail id: mkj_1988@yahoo.co.in has certified vide their certificate dated 27.01.2017 that sufficient resource is available with the Acquirer for fulfilling the obligations under this "Offer" in full.

5.2.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of "IGIL- Open Offer Escrow Account" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("**Escrow Banker**") and made therein a cash deposit of Rs. 2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) being more than 25% of the maximum consideration payable in the Open Offer assuming full acceptance,

5.2.4 The Acquirer has authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.5 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

TERMS AND CONDITIONS OF THE OFFER:

6.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be sent to all those shareholders of IGIL (except the parties to the SPA) whose name appear on the Register of Members, at the close of business hours on 05.04.2017 **("Identified Date").**

6.2. All owners of the shares, Registered or Unregistered (except the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

6.3. Accidental omission to dispatch this LOF or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.

6.4. Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

6.5. Locked-in Shares:

The entire equity shareholding of the promoter is under lock-in till April 25, 2017 imposed pursuant to SEBI Circular No. CIR/CFD/CMD/12/2015 dated November 30, 2015, upon the revocation of suspension of the equity shares of the Target Company by BSE.

6.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the parties to the SPA)whose names appeared in the register of shareholders on 05.04.2017 at the close of the business hours on 05.04.2017 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

6.7. Statutory Approvals and conditions of the Offer:

6.7.1. The Offer is not subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any. In the event such approvals from the RBI is required by any shareholder for tendering their shares in the open offer and such approval are not submitted, the Acquirer reserve the sole right to reject the equity shares tendered by such shareholders in the Open Offer.

6.7.2. As on the date of the DPS, there are no statutory approvals and/ or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

6.7.3. The Acquirer, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.

6.7.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

6.7.5. No approval is required from any bank or financial institutions for this Offer.

6.7.6. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

7.1. 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 circular no CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.

7.2. BSE Limited ('BSE') shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.

7.3. The facility for Acquisition of shares through Stock exchange Mechanism pursuant to an Open Offer shall be available on the BSE in the form of Separate Window ("Acquisition Window").

7.4. The Acquirer have appointed JRK Stock Broking Pvt. Ltd. ('Buying Broker') for the open offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:

Name: **JRK Stock Broking Pvt Ltd**
Address: Tobacco House, 1 Old Court House Corner, 3rd Floor, Room No 301, Kolkata – 700 001.
Tel No. 033-40174777, Fax No. 033-40174700, Email Id: info@jrkgroup.in
Contact Person: Mr. Birendra Kumar Jain

7.5. All the shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers ("Selling Brokers") within the normal trading hours of the Secondary Market, during the Tendering period.

7.6. In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company's Broker to bid by using quick UCC facility by submitting relevant documents.

7.7. A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.

7.8. The cumulative quantity tendered shall be displayed on the Designated Stock Exchange website through out the trading session at specific intervals by the Stock Exchange during the Tendering period.

7.9. Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client.

7.10. Procedure for tendering shares held in Dematerialized Form.

a) The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

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 Offer Period.

7.11. Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:

a) Shareholders who are holding equity shares in physical form and intend to participate in the offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including the:

i. 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);

ii. Original Share Certificates;

iii. Valid shares 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;

iv. Self-attested copy of the Shareholder's PAN card;

v. 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 authorizations, such as Board Resolutions etc, in case of companies.

vi. In addition to the above, if the address of the Shareholders 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 Adhar Card, Voter Identity card or Passport.

b) Selling Broker should place order on the Acquisition Window with the 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.

c) After placement of order, as mentioned in paragraph 7.11(b), 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 the paragraph 7.11(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as '**Indo Gulf Industries Ltd- Open Offer'.** One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

d) Shareholders holding physical Equity shares should note that the 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 subjected 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 BSE shall display such orders as "unconfirmed physical Bids". Once, Registrar to the Offer confirms the order it will be treated as "Confirmed Bids".

e) In case any person has submitted Equity shares in physical form for dematerialization, such shareholders should ensure that the process of getting the equity shares dematerialized is completed well in time so that they can participate in the offer before the Offer Closing Date.

7.12. Modification/Cancellation of orders will not be allowed during the period the Offer is open.

7.13. The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period

7.14. Procedure for Tendering the Shares in case of Non-Receipt of this Letter of Offer:

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 those who have not received the letter of offer, may also participate in this Offer. A 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. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Banker website (www.vccorporate.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. Alternatively in case of non-receipt of this 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 certificates 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 the BSE before the closure of the Offer.

7.15. Non- receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, does not validate the Offer in any way.

7.16. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this 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.

7.17. Acceptance of Equity Shares

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

7.18. Settlement Process for DEMAT and Physical Shares

a. 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 Equity Shares transferred to the Clearing Corporation.

b. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market

c. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation.

d. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the DP account which is opened by the Acquirer.

e. 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(s)/custodian, post which, the Seller Broker(s) would then issue contract note for the Equity Shares accepted and return the balance Equity Shares to the shareholders.

f. Any excess physical shares, to the extent tendered but not accepted, will be returned back to the Shareholder(s) directly by Registrar to the Offer.

g. Settlement should take place on gross basis. Shareholders should use the settlement number provided in the offer opening circular to transfer the shares to the Indian Clearing Corporation Limited (ICCL) through the early pay-in mechanism of Depositories. The shares so transferred will be used as Securities pay-in of the concerned Members whose bids will be accepted as per the basis of allotment.

h. The Buyer Clients Broker Member will receive all the shares in Securities pay-out. ICCL will provide an option to the buyer Clients Broker to upload a Direct Payout to clients (DPC) file which will enable ICCL to transfer the shares

directly in the Client's beneficiary account. Once the basis of acceptance is finalized , Clearing Corporation would transfer unaccepted/excess shares directly to shareholders account if any. If the securities transfer instruction is rejected in the depository system, or due to any issues then such securities will be transferred to the Seller brokers Depository pool account for onward transfer of shareholders.

i. The shares shall be directly credited to the pool account of the Buying Broker. For the same, theexisting 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 settlementof 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.

7.19. Settlement of Funds/ Payment Consideration

a. The Buyer member will be required to fund its settlement Bank account before the settlement Pay- in timeline for fulfilling their funds obligation on the settlement date. The concerned Buyer member would be required to make funds pay-in in the settlement account of ICCL, as per the settlement schedule announced by ICCL.

b. For shares accepted under the Offer, Clearing corporation will make direct funds payout to respective eligible shareholder's bank account as provided by the Depository System. If shareholders bank account are not available or if the funds transfer instruction gets rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Seller broker's settlement bank account for onward transfer to their respective clients.

c. In case of certain client types viz. NRI, Foreign Clients (where there are specific RBI and other Regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Member Broker's settlement Accounts for releasing the same to their respective clients account onwards. For this purpose, the client type details would be collected from the RTA.

d. The settlement of fund obligation for demats and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. 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.

8. NOTE ON TAXATION

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 DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS OFFER.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.–2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 20.04.2017 to 04.05.2017.

i) Memorandum & Articles of Association of IGIL and GEPL along with its Certificate of Incorporation.

ii) Audited Annual Accounts of IGIL for the financial year ended 31.03.2016, 31.03.2015 and 31.03.2014 and Un-audited and Certified financials for the 6 months period ended 30.09.2016.

iii) Audited Annual Accounts of GEPL for the financial year ended 31.03.2016, 31.03.2015and 31.03.2014 and Un-audited and Certified financials for the 6 months period ended 30.09.2016.

iv) Certificate from Mr. Sanjeev Kumar Gupta, Partner of M/s. M. Kumar Jain & Co, Chartered Accountants, (Firm Registration no. 315182E & Membership No. 407221) having office at 7A, Kiran Shankar Ray Road, Kolkata- 700 001, contact no. (033) 22487972, email id: mkj_1988@yahoo.co.in has certified vide their certificate dated27.01.2017 that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

v) Certificate from Mr. Sanjeev Kumar Gupta, Partner of M/s. M. Kumar Jain & Co, Chartered Accountants, (Firm Registration no. 315182E & Membership No. 407221) having office at 7A, Kiran Shankar Ray Road, Kolkata- 700 001,

contact no. (033) 22487972, email id: mkj_1988@yahoo.co.invide their certificate dated 27.01.2017 has stated that the fair value of the equity shares of Target Company.

vi) Copy of the letter received from HDFC Bank Limited (Escrow Banker) dated 02.02.2017 confirming the required amount kept in the escrow account and marked lien in favour of Manager to the Offer.

vii) The copy of Share Purchase Agreement dated 27.01.2017 between the Seller and the Acquirer, which triggered the Open Offer.

viii) Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer, dated 27.01.2017.

ix) Copy of Agreement between the Acquirer and the Registrar to the Offer.

x) Copy of the recommendations made by the Committee of Independent Director of the Target Company.

xi) Copy of the Public Announcement dated 27.01.2017 and published copy of the Detailed Public Statement dated 03.02.2017 and Issue of Opening Public Announcement and Corrigendum to DPS.

xii) Copy of SEBI Observation letter reference no. CFD/DCR/OW/2017/7381 dated March 31, 2017.

10. DECLARATION BY THE ACQUIRER:

The Acquirer and its directors, accept full responsibility for the information contained in the PA, DPS&DLOF and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations and the Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations. In accordance with the regulation 25(3) of the SEBI (SAST) Regulations, the Acquirer accepts full responsibility jointly and severally for the information contained in the Public Announcement, Detailed Public Statement and the Letter of Offer and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations and the Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

ON BEHALF OF THE ACQUIRER

For Ganesh Explosives Private Limited

Sd/-
Rajesh Jain
(Director)

Place: Kolkata
Date: 01.04.2017

ENCLOSURES
Form of Acceptance cum Acknowledgement
Blank Share Transfer Deed(s)