

# AKC STEEL INDUSTRIES LIMITED

(CIN: L27109WB1957PLC023360)

Registered Office: 'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata 700 020

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Company Secretary and Compliance Officer : Ms. Sangeeta Roy

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF M/S. AKC STEEL INDUSTRIES LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement ("Public Announcement" or "PA") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the buyback in force and includes any statutory modifications and amendments from time to time (the "SEBI Buyback Regulations") and contains the disclosures as specified in Schedule II read with Schedule I of the SEBI Buyback Regulations.

**OFFER FOR BUYBACK OF UPTO 9,83,000 (NINE LACS EIGHTY THREE THOUSAND ONLY) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10/- (RUPEES TEN ONLY) EACH AT A PRICE OF RS. 30/- (RUPEES THIRTY ONLY) PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH TENDER OFFER ROUTE.**

Certain figures contained in this PA, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### DETAILS OF THE BUYBACK OFFER AND OFFER PRICE:

1. The Board of Directors ("Board") of AKC Steel Industries Limited ("the Company"), which expression shall include any committee constituted and authorized by the Board to exercise its powers, including the powers conferred by the resolution at its meeting held on Thursday, February 10, 2022 ("Board Meeting") where in the Board has, subject to the approval of the shareholders of the Company by way of Special Resolution in Extra Ordinary General Meeting and in accordance with the Articles of Association of the Company and the provisions of Section 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the "Act"/"Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, (the "Share Capital and Debenture Rules"), the Companies (Management and Administration) Rules, 2014 (the "Management Rules") to the extent applicable and in compliance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") read with Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/15/2015 dated April 13, 2015, read with Circular CF/DCR/2016/131 dated December 9, 2016 and Circular SEBI/HO/CFD/DCR-III/CIR/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force ("SEBI Circulars") and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the buyback of upto 9,83,000 (Nine Lacs Eighty Three Thousand Only) fully paid up equity shares of Rs. 10/- each (Rupees Ten Only) (representing 23.69% of the total number of equity shares in the paid up equity share capital of the Company as on 31st March 2021) at a price of Rs. 30/- (Rupees Thirty Only) per equity share (the "Buyback Price") payable in cash, aggregating to Rs. 2,94,90,000/- (Rupees Two Crores Ninety Four Lacs Ninety Thousand Only) ("Buyback Offer Size") (excluding Company's expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, transaction costs such as brokerage, securities transaction tax, goods and service tax (GST), stamp duty, etc.) which represents 24.98% of the aggregate of the Company's fully paid-up equity share capital and free reserves as per the latest Audited Financial Statement of the Company for the financial year ended March 31, 2021 (which is within the limit of 25% of the aggregate of the fully paid up equity share capital and free reserves of the Company) on a proportionate basis, through the Tender Offer route ("Tender Offer") as prescribed under the SEBI Buyback Regulations, from all the eligible shareholders/beneficial owners who hold equity shares as on the date of the Board Meeting, subject to the satisfaction of the conditions specified in the Buyback Offer.

1.2. Since the Offer Size for the Buyback is more than 10% of the total paid-up equity share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act, the Board had sought approval of the shareholders of the Company for the Buyback, by way of a special resolution in Extra Ordinary General Meeting.

1.3. The shareholders of the Company approved the Buyback with requisite majority by way of a special resolution in Extra Ordinary General Meeting held on April 7, 2022 pursuant to Extra Ordinary General Meeting Notice dated February 10, 2022 (the "EGM Notice"), the results of which were announced on April 7, 2022.

1.4. The Buyback is in accordance with Article 66 of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, the Share Capital and Debenture Rules, the Management Rules, the Listing Regulations and the provisions of the SEBI Buyback Regulations. The financial statements of the Company as on the date of the Buyback shall be audited by a Chartered Accountant as required under applicable laws, including but not limited to Securities and Exchange Board of India ("SEBI"), the Calcutta Stock Exchange Limited ("CSE"), the only stock exchange where the equity shares of the Company are listed. The Buyback would be facilitated by tendering of Equity Shares by the shareholders in the manner specified in the Buyback Offer. The transaction of Buyback would also be with SEBI Circulars. In this regard, the Company shall make an application to the BSE Limited ("BSE") to provide the acquisition window. For the purpose of this Buyback, BSE would be the "Designated Stock Exchange".

1.5. The Buyback Size of Rs. 2,94,90,000/- (Rupees Two Crores Ninety Four Lacs Ninety Thousand Only) represents 24.98% of the aggregate of the Company's fully paid-up equity share capital and free reserves as per the latest Audited Financial Statement of the Company for the financial year ended March 31, 2021 (which is within the limit of 25% of the aggregate of the fully paid up equity share capital and free reserves of the Company). Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total number of equity shares in the paid-up equity share capital of the Company. Since the Company proposes to Buyback up to 9,83,000 (Nine Lacs Eighty Three Thousand Only) equity shares (representing 23.69% of the total number of equity shares in the paid-up equity share capital of the Company as on 31st March 2021), the same is within the aforesaid 25% limit.

1.6. The Equity Shares of the Company are proposed to be bought back at a price of Rs. 30/- (Rupees Thirty Only) per Equity Share and there has been no trading in the equity shares of the Company on the CSE for more than one year, the Buyback Offer Price has been arrived at after considering various appropriate factors (including but not limited to), such as Book Value Per Share and Profit Earning Capacity Value per share.

1.7. The Buyback shall be on a proportionate basis from all the Eligible Shareholders of the Company through the Tender Offer route as prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Please refer to Paragraph 15 below for the particularized nature of the Buyback and shareholder's entitlement for tender in the Buyback.

1.8. Participation in the Buyback by Eligible Shareholders may trigger tax on distributed income to such shareholders ("Buyback Tax") in India and such tax is to be discharged by the Company as per the procedure laid down in the applicable provisions of the Income-tax Act, 1961 read with any applicable rules framed thereunder. Consequently, any income received by Eligible Shareholders pursuant to the Buyback of shares is exempt and hence not included in the total taxable income of such shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. Participation in the Buyback by non-resident Eligible Shareholders may trigger capital gain tax in the hands of such shareholders in their country of residence. In due course, the Eligible Shareholders will receive a Letter of Offer, which will contain a detailed note on taxation. However, in view of the fact that the Eligible Shareholders are advised to consult their own legal, financial, accounting and tax advisors prior to participating in the Buyback.

1.9. A Copy of the Public Announcement is available on the Company's website i.e., www.akcsteel.com and is expected to be available on the website of SEBI i.e., www.sebi.gov.in and on the website of the stock exchange i.e., www.cse-india.com.

### NECESSITY FOR THE BUYBACK:

2.1. The Buyback is being undertaken for the following reasons:

- The Buyback will help the Company to return surplus cash to its Shareholders holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the SEBI Buyback Regulations, will involve allocating to the small shareholders the higher of a) number of shares entitled as per their holdings, or b) 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for the small shareholders would result in a large number of public shareholders, who would get classified as "small shareholder" in terms of the Regulation 2(i)(n) of the SEBI Buyback Regulations;
- The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- The Buyback gives an option to the Shareholders holding equity shares of the Company to either choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or to choose not to participate and enjoy a resultant increase in their percentage shareholding in the Company and their share in any dividend which may be announced by the Company, post the Buyback Offer, without additional investment;
- Optimize the capital structure.

### 3. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES:

The maximum amount required for Buyback will not exceed Rs. 2,94,90,000/- (Rupees Two Crores Ninety Four Lacs Ninety Thousand Only) (excluding Company's expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, transaction costs such as brokerage, securities transaction tax, goods and service tax (GST), stamp duty, etc.)

The maximum amount mentioned aforesaid represents 24.98% of the aggregate of the fully paid up equity share capital and free reserves of the Company as per latest financial statements of the Company as at March 31, 2021, which is within the prescribed limit of 25%.

The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the Paid-up equity share capital and free reserves after the Buyback.

### 4. MAXIMUM BUYBACK PRICE AND THE BASIS OF ARRIVING AT THE BUYBACK PRICE:

The Equity Shares of the Company are proposed to be bought back at a buyback price of Rs. 30/- (Rupees Thirty Only) per Equity Share. Since there has been no trading in the equity shares of the Company on the CSE for more than one year, the Buyback Offer Price has been arrived at after considering various appropriate factors, such as Book Value Per Share and Profit Earning Capacity Value per share.

### 5. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK:

The Company proposes to buyback upto 9,83,000 (Nine Lacs Eighty Three Thousand Only) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each, representing 23.69% of the total number of equity shares in the paid-up equity share capital of the Company as on March 31, 2021.

### 6. METHOD TO BE ADOPTED FOR BUYBACK:

The method to be adopted for the purpose of Buyback shall be the tender offer route through Stock Exchange mechanism as prescribed under the SEBI Buyback Regulations and circular issued thereunder, including the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buyback and Delisting" notified by SEBI Circulars or such other mechanism, for the Buyback through tender offer route, as may be applicable.

### 7. DETAILS OF HOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY:

7.1. The aggregate shareholding of the (i) promoter and promoter group of the Company ("Promoter and Promoter Group") and persons in control, (ii) Directors of companies which are a part of the Promoter and Promoter Group and (iii) Directors and Key Managerial Personnel of the Company as on the date of the EGM Notice, i.e., 10th February, 2022, are as follows:

#### a. Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of the EGM Notice, i.e., 10th February, 2022:

Sl. No.	Name	No. of Equity shares	% of Shareholding
1.	Radice Steel & Alloys Ltd	12,00,100	28.9181
2.	Beekay Steel Industries Limited	11,60,000	27.9518
3.	Suresh Chand Bansal	1,84,105	4.2363
4.	Mukesh Chand Bansal	1,71,080	4.1224
5.	Bhawani Bansal	88,769	2.1390
6.	Vikas Bansal	66,750	1.6084
7.	Manav Bansal	61,550	1.4831
8.	Indu Bansal	49,200	1.1855
9.	Gautam Bansal	48,350	1.1651
10.	Aruna Bansal	48,250	1.1627
11.	B.L. Bansal & Sons HUF	25,100	0.6048
12.	Sarika Bansal	2,000	0.0482
	<b>Total</b>	<b>31,05,254</b>	<b>74.8254</b>

#### b. Aggregate shareholding of the Directors of companies who are a part of the Promoter and Promoter Group as on date of the EGM Notice, i.e., 10th February, 2022 (other than those included above): NIL

#### c. Aggregate shareholding of the Directors (other than Promoters) and Key Managerial Personnel of the Company as on date of the EGM Notice, i.e., 10th February, 2022: NIL

d. No Equity Shares or other specified securities in the Company were either purchased or sold (either through the stock exchange or off market transactions) by any of the (i) promoters; (ii) members of the promoter group and of persons who are in control of the Company during a period of six months preceding the date of the board meeting at which the Buyback was approved till the date of this Public Announcement.

### 8. INTENTION OF THE PROMOTERS AND PERSONS IN CONTROL OF THE COMPANY TO TENDER EQUITY SHARES IN THE BUYBACK:

In terms of the SEBI Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, following persons belonging to the Promoter and Promoter Group entities and persons in control of the Company have expressed their intention to participate in the Buyback vide their letters dated 10.02.2022 in an aggregate maximum of 31,05,254 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the SEBI Buyback Regulations.

Please see below the maximum number of Equity Shares to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company.

Sl. No.	Name of the Promoter & Promoter Group	Maximum No. of Equity Shares intended to be offered
1.	Suresh Chand Bansal	1,84,105
2.	Mukesh Chand Bansal	1,71,080
3.	Vikas Bansal	66,750
4.	Manav Bansal	61,550
5.	Gautam Bansal	48,350
6.	Indu Bansal	49,200
7.	Indu Bansal	49,200
8.	Aruna Bansal	48,250
9.	Sarika Bansal	2,000
10.	B.L. Bansal & Sons HUF	25,100
11.	Radice Steel & Alloys Ltd	12,00,100
12.	Beekay Steel Industries Limited	11,60,000

The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback. The details of the date and price of acquisition of the Equity Shares that the Promoter and Promoter Group intend to tender are set-out below:

#### 8.1. Suresh Chand Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	103425	10	2	Cash
10/05/2018	Transmission by operation of law by order of the Hon'ble High Court at Kolkata	80680	10	Nil	NA
10/02/2022	Closing Balance	184105	10	1.72	Cash

#### 8.2. Mukesh Chand Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	86200	10	2	Cash
02/02/2016	Purchase	4200	10	10	Cash
10/05/2018	Transmission by operation of law by order of the Hon'ble High Court at Kolkata	80680	10	Nil	NA
10/02/2022	Closing Balance	171080	10	1.85	Cash

#### 8.3. Vikas Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	66750	10	2	Cash
10/02/2022	Closing Balance	66750	10	2	Cash

#### 8.4. Manav Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	61500	10	2	Cash
10/02/2022	Closing Balance	61500	10	2	Cash

#### 8.5. Gautam Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	48350	10	2	Cash
10/02/2022	Closing Balance	48350	10	2	Cash

#### 8.6. Bhawani Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	88769	10	2	Cash
10/02/2022	Closing Balance	88769	10	2	Cash

#### 8.7. Indu Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	49200	10	2	Cash
10/02/2022	Closing Balance	49200	10	2	Cash

#### 8.8. Aruna Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	48250	10	2	Cash
10/02/2022	Closing Balance	48250	10	2	Cash

#### 8.9. Sarika Bansal

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	2000	10	2	Cash
10/02/2022	Closing Balance	2000	10	2	Cash

#### 8.10. BL Bansal & Sons HUF

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	25100	10	2	Cash
10/02/2022	Closing Balance	25100	10	2	Cash

#### 8.11. Radice Steels & Alloys Ltd

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	1200100	10	2	Cash
10/02/2022	Closing Balance	1200100	10	2	Cash

#### 8.12. Beekay Steel Industries Ltd.

Date of Transaction	Nature of transaction	No. of Equity Share	Face Value (Rs)	Issue / Acquisition / Sale / Price per equity Shares (Rs)	Consideration (Cash, Other than cash etc.)
01/04/2011	Opening Balance	1160000	10	2	Cash
10/02/2022	Closing Balance	1160000	10	2	Cash

\*Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

### 9. CONFIRMATION FROM COMPANY AS PER THE PROVISIONS OF BUYBACK REGULATIONS AND COMPANIES ACT:

- all equity shares of the Company are fully paid up;
- the Company shall not issue and allot any equity shares or specified securities (including by way of bonus or convert any outstanding ESOP/outsourcing instruments into Equity Shares) from the date of resolution passed by the Shareholders approving the Buyback till the expiry of the Buyback period;
- the Company shall not raise further capital for a period of one year from the expiry of the Buyback period, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- that the aggregate amount of the Buyback i.e. Rs. 2,94,90,000/- (Rupees Two Crores Ninety Four Lacs Ninety Thousand Only) does not exceed 25% of the total paid-up capital and free reserves as per the latest audited financial statement as on March 31, 2021;
- that the maximum number of equity shares proposed to be bought back under the Buyback i.e. 9,83,000 equity shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited financial statement as on March 31, 2021;
- the Company has not undertaken any Buyback in the last 12 months;
- the Company shall not undertake the Buyback if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;
- the Company shall not Buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- the Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or public announcement of the Buyback is made;
- the Company shall not make any offer of Buyback within a period of one year reckoned from the expiry of the Buyback period;
- the Company is not in default of any repayment of deposits accepted either before or after the commencement of the Act, interest payment thereof, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution, banking company or other specified institution;
- the debt equity ratio of the Company after the Buyback will be within the limit of 2:1 as prescribed under the Act;
- the Equity Shares bought back by the Company will be extinguished in the manner prescribed under the SEBI Buyback Regulations and the Act within 7 (seven) days of the expiry of the Buyback period;
- the Company shall not directly or indirectly facilitate the Buyback:
  - through any subsidiary company including its own subsidiary company; or
  - through any investment company or group of investment companies
- the consideration for the Buyback shall be paid only by way of cash;
- As per Regulation 24(i)(e) of the SEBI Buyback Regulations, the members of the promoter and promoter group and their associates shall not deal in the shares or other specified securities of the Company in the stock exchange or off-market, including inter-se transfer of shares among the promoters during the period from the date of passing the special resolution till the closing of the Buyback offer.
- the Company shall not utilize any funds borrowed from banks or financial institutions in fulfilling its obligations under the Buyback;
- the statements contained in all the relevant documents in relation to the Buyback shall be true, material and factual and shall not contain any mis-statements or misleading information.

### 10. CONFIRMATIONS FROM THE BOARD:

The Board of Directors has made full enquiry into the affairs and offer document of the Company and after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

- That there are no defaults subsisting in the repayment of deposits, interest payment thereon or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- That immediately following the date of the board meeting and from date on which the results of the shareholders' resolution with regard to the proposed buyback are declared, there will be no grounds on which the Company could be found to be unable to pay its debts;
- As regards to the Company's prospects for the year immediately following the date of the Board meeting and from date on which the results of the shareholders' resolution with regard to the proposed buyback are declared, that having regard to the Board of Directors' intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board of Directors' view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of Board and shareholders' approval.
- That in forming the opinions for the above purposes, the directors have taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016, as amended.
- That the debt equity ratio of the Company after the buyback will be within the limit of 2:1 as prescribed under the Act.

### 11. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITOR ON THE PERMISSIBLE CAPITAL PAYMENT AND THE OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY:

The report of the Report dated 10.02.2022 received from S. Jaykishan & Co., Chartered Accountants, (FRN: 309005E, UDIN: 22065738ADMMMLH9787) the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

#### QUOTE

The Board of Directors  
AKC Steel Industries Limited  
Lansdowne Towers, 4th Floor,  
2/1A, Sarat Bose Road,  
Kolkata - 700 020

### INDEPENDENT AUDITOR'S REPORT ON BUYBACK OF SHARES PURSUANT TO THE REQUIREMENT OF THE COMPANIES ACT, 2013, AS AMENDED ("THE ACT") AND SCHEDULE I TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUYBACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED ("THE SEBI BUYBACK REGULATIONS")

1. This report is issued in accordance with the terms of engagement letter dated 07/02/2022.

2. We have been engaged by AKC Steel Industries Limited ("the Company") to perform a reasonable assurance engagement on determination of the amount of permissible capital payment in connection with the proposed buyback by the Company of its equity shares in pursuance to the provisions of Section 68, 69 and 70 of the Act and the SEBI Buyback Regulations and in terms of the resolutions passed by the Board of Directors of the Company in their meeting held on 10/02/2022, which is subject to the approval of the shareholders of the Company.

3. The management of the Company has prepared the Statement of permissible capital payment as on 31/03/2021 (the Statement) as given in Annexure - A attached, pursuant to the proposed buyback by the Company of its equity shares as mentioned in para 2 above. The statement contain the computation of the amount of permissible capital payment towards buyback of equity shares in accordance with the Act and the Buyback Regulations based on the latest Audited Financial Statements for the year ended 31/03/2021.

#### Board of Directors' Responsibility for the Statement

4. The preparation of the Statement for determining the amount of permissible capital payment for the buyback in accordance with the provisions of the Act and the SEBI Buyback Regulations, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects and offer document of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board meeting in which the proposal for the buyback is approved by the Board of Directors of the company and from date on which the results of the shareholders' resolution with regard to the proposed buyback are declared.

#### Auditor's Responsibility

6. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":

## AKC STEEL INDUSTRIES LIMITED

- 12.5** 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.
- 12.6** The Eligible Shareholder approaching Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.
- 12.7** During the tendering period, the order for selling the shares will be placed in the Acquisition Window by eligible shareholders through their respective stock brokers during normal trading hours of the secondary market. The stock brokers ("Seller Member(s)") can enter orders for demat shares and physical shares.
- 12.8** The reporting requirements for Non-Resident Shareholders under the Foreign Exchange Management Act, 1999, RBI, and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
- 12.9 Procedure to be followed by Eligible Shareholders holding Equity shares in the dematerialized form:**
- Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
  - The Seller Member would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the bid, the concerned Seller Member would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation of India Limited ("Clearing Corporation"), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.
  - The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE Limited/Clearing Corporation.
  - For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
  - Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("TRS") generated by the BSE Exchange Bidding System to the shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
  - It is clarified that in case of dematerialized Equity Shares, submission of the tender form and TRS is not mandatory. In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Equity Shareholder shall be deemed to have been accepted.
- 12.10 Procedure to be followed by Eligible Shareholders holding Equity shares in the Physical form:**
- In accordance with SEBI's circular dated July 31, 2020 (circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144), shareholders holding Equity Shares in physical form are allowed to tender such shares in a buyback undertaken through the tender offer route. However, such tendering shall be as per the provisions of the Buyback Regulations.
  - Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (A) Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (B) original share certificate(s), (C) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in the same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (D) self-attested copy of PAN card(s) of all Eligible Shareholders, (E) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar card, voter identity card or passport.
  - Based on these documents, the concerned Seller Member shall place an order/bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the acquisition window of the Designated Stock Exchange. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
  - Any Seller Member/Eligible Shareholder who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. Maheshwari Datamatics Pvt. Ltd. (at the address mentioned at paragraph 17 below) not later than 2 (two) days from the offer closing date. The envelope should be super scribed as "AKC Steel Industries Limited Buyback 2022". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Member.
  - The Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, the Designated Stock Exchange shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'confirmed bids'.
  - In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.
  - An unregistered shareholder holding Equity Shares in physical form may also tender their Equity Shares in the Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to the Record Date, in their name, along with the offer form, copy of their PAN card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any.

- h) Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- i) The cumulative quantity tendered shall be made available on BSE Limited's website - www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.
- 13. METHOD OF SETTLEMENT:**
- Upon finalization of the basis of acceptance as per Buyback Regulations:
- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
  - The Company will pay the consideration to the Clearing Corporation on or before the pay-in date for settlement for Equity Shares accepted under the Buyback, the Shareholders whose shares have been accepted in the Buyback will receive funds payout in their settlement bank account from Clearing Corporation.
  - The equity shares bought back in the demat form would be transferred directly to the demat account of the Company opened for Buyback (the "Special Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Special Demat Account on receipt of the equity shares from the clearing and settlement mechanism of BSE.
  - The Eligible 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 non-acceptance.
  - Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation.
  - Excess or unaccepted Equity Shares which are in physical form, if any, tendered by the Eligible Shareholders would be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares in physical form, in case the Equity Shares accepted by the Company are less than the Equity Shares that are tendered.
  - The settlements of fund obligation for Equity Shares in dematerialized and physical form shall be affected as per the SEBI Circulars and as prescribed by the Designated Stock Exchange and Clearing Corporation from time to time and the Seller Member would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. For Equity Shares in dematerialized form accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation. For Equity Shares in physical form, the Clearing Corporation will release the funds to the Seller Member(s) as per secondary market payout mechanism. If such shareholders' bank account details are not available or if the funds transfer instruction is rejected by the RBI / bank(s), due to any reason, then the amount payable to the concerned shareholders will be transferred to the Seller Member for onward transfer to such shareholders. The Seller Member would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
  - Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
  - The Equity Shares lying to the credit of the Special Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.
- 14. REJECTION CRITERIA:**
- The equity shares tendered by the eligible shareholders would be liable to be rejected on the following grounds:
- the shareholder is not an eligible shareholder of the company as on record date; or
  - if there is a name mismatch in the dematerialized account of the shareholder and PAN; or
  - receipt of completed tender form and other documents but non receipt of equity shares in the special account of the clearing corporation.
- 15. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT:**
- 15.1** As required under 9(i) of the SEBI Buyback Regulations, the Company has announced Friday, April 22, 2022 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buyback Offer.
- 15.2** The equity shares to be bought back as a part of this Buyback Offer is divided into two categories:
- Reserved category for Small Shareholders; and
  - General category for all other shareholders.
- 15.3** As defined in Regulation 2(i)(n) of the SEBI Buyback Regulations, a "small shareholder" means a shareholder of a company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such securities, as on record date is not more than two lakh rupees. Presently the equity shares of the Company are not traded on the CSE, thus the closing price for the same is not available. Hence, a shareholder who holds equity shares having market value on the basis of Buyback Offer Price of Rs. 30/- is not more than Rs. 2,00,000 (Rupees Two Lakhs Only) is considered for determination of Small Shareholders in terms of the SEBI Buyback Regulations. However, if on the Record Date the Closing price on the CSE would be available, then the same shall be considered for determination of Small Shareholders in terms of the SEBI Buyback Regulations.
- 15.4** In accordance with Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.
- 15.5** On the basis of shareholdings as on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of equity shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs. The final number of equity shares the Company will purchase from the shareholders will be based on the equity shares tendered. Accordingly the Company may not purchase all of the equity shares tendered by the shareholders over and above their entitlement.

- 15.6** After accepting equity shares tendered on the basis of entitlement, the equity shares left to be bought back, if any in one category shall first be accepted, in proportion to the equity shares tendered over and above the entitlement in the offer by the shareholders in that category and thereafter from shareholders who have tendered over and above their entitlement in other category.
- 15.7** In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of shareholders holding Physical Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/ trusts, insurance companies, foreign institutional investors/ foreign portfolio investors etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
- 15.8** Participation in the Buyback shall be voluntary. Eligible Shareholders of the Company shall have the option to participate, in part or in full and get cash in lieu of equity shares to be accepted under the Buyback or they may choose not to participate and be benefited from a resultant increase in their percentage shareholding in the Company post Buyback without additional investment. Further, Eligible Shareholders of the Company shall have the option of tendering additional Equity shares (over and above their entitlement) and participate in the shortfall due to non-participation by some other Eligible Shareholders of the Company, if at all.
- 15.9** The maximum tender under the Buyback by any Eligible Shareholder of the Company cannot exceed the number of Equity shares held by such Eligible Shareholder of the Company as on the Record Date.
- 15.10** The Equity shares tendered as per the entitlement by the Eligible Shareholders of the Company as well as additional Equity shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.
- 15.11** Detailed instructions for participation in the Buyback (tendering of Equity shares in the Buyback) as well as the relevant time table will be included in the letter of offer which will be sent in due course to the Eligible Shareholders of the Company.
- 16. COMPANY SECRETARY & COMPLIANCE OFFICER:**
- Ms. Sangeeta Roy  
Company Secretary  
AKC Steel Industries Limited  
'Lansdowne Towers', 4th Floor, 2/1A, Sarat Bose Road, Kolkata -700 020  
Tel. No.: (033) 4060 4444, Fax: (033) 2283 3322  
E-mail: contact@akcsteel.com; Website: www.akcsteel.com
- Investor may contact the Company Secretary for any clarification or to address their grievances, if any, during office hours i.e. 11:00 A.M. to 2:00 P.M. on all working days except Saturday, Sunday and public holidays.
- 17. INVESTOR SERVICE CENTRE & REGISTRAR TO THE OFFER:**
- In case of any query, the shareholders may contact the Registrar to the Buyback during office hours i.e. 11:00 A.M. to 2:00 P.M. on all working days except Saturday, Sunday and public holidays.
- MAHESHWARI DATAMATICS PRIVATE LIMITED**  
CIN: U20221WB1982PTC034886  
SEBI REG. NO. INR000000353  
Validity: Permanent  
Contact Person: Mr. Ravi Bahl, Compliance Officer  
23, R.N. Mukherjee Road, (5th Floor), Kolkata - 700 001  
Tel.: +91 33 2248 2248; Fax: +91 33 2248 4787  
Email: mdpldc@yahoo.com; Website: www.mdpl.in
- 18. MANAGER TO THE BUYBACK OFFER:**
-  **SKP SECURITIES LIMITED**  
CIN: L74140WB1990PLC049032  
SEBI REG. NO: INM000012670  
Validity : Permanent  
Contact Person: Mr. Anup Kumar Sharma  
Address: Chatterjee International Centre, Level 21,  
33A, Jawaharlal Nehru Road, Kolkata - 700071  
Tel.: +91 33 40077000; Email: contact@skpsecurities.com;  
Website: www.skpsecurities.com
- 19. DIRECTORS RESPONSIBILITY:**
- As per Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors of the Company accept responsibility for the information contained in this Public Announcement or any other information, advertisement, circular, brochure, publicity materials etc. which may be issued in relation to the Buyback and confirms that such documents contains true, factual and material information and does not contain any misleading information.
- For and on behalf of the Board of Directors of AKC Steel Industries Limited
- |                            |                      |                              |
|----------------------------|----------------------|------------------------------|
| Sd/-                       | Sd/-                 | Sd/-                         |
| <b>Ashok Kumar Bansal</b>  | <b>Manav Bansal</b>  | <b>Sangeeta Roy</b>          |
| <b>Whole time Director</b> | <b>Director</b>      | <b>Company Secretary</b>     |
| <b>DIN: 00283193</b>       | <b>DIN: 00103024</b> | <b>Membership No. A37232</b> |
- Date: 08.04.2022 Place: Kolkata