

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a Shareholder(s) of **INERTIA STEEL LIMITED**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

Pursuant to Regulations 3 (1) and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

TO THE SHAREHOLDERS OF

INERTIA STEEL LIMITED

(Hereinafter referred as "ISL" or "INERTIA" or "the Target Company" or "TC" or "the Company")

having the Registered Office at Shop No 155 Second Floor, Raghuleela Mall, Borsa Pada Road, Poiser, Borivali West, Kandivali West, Mumbai, Maharashtra, India, 400067, India, Phone No. +91- 7030595007; Email: contact@inertiasteel.com, Website: www.inertiasteel.com

BY

Mr. Karbhari Pandurang Dhatrak S/o Mr. Pandurang Dhatrak, a 66 years old currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91 9422750736, Email: bangangapapers@gmail.com; (hereinafter referred to as "the Acquirer-1") and Mrs. Jayashree Karbhari Dhatrak W/o Mr. Karbhari Pandurang Dhatrak, a 60 years old currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91-9860280844, Email: jayshree.dhatrak@gmail.com; (hereinafter referred to as "the Acquirer-2") and Mr. Chetan Karbhari Dhatrak S/o Mr. Karbhari Pandurang Dhatrak, a 40 years old Resident Indian currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91-9970249100, Email: chetan.dhatrak@gmail.com. (hereinafter referred to as "the Acquirer-3") (Acquirer-1, Acquirer-2 and Acquirer-3 being collectively referred to as "Acquirers")

TO ACQUIRE

Up to 31,14,488 Equity shares of Rs. 10/- each representing 26.00% of the Emerging equity and voting share capital of the Target Company at a price of Rs. 18/- (Rupees Eighteen only) per share.

Please Note

1. This Offer is being made pursuant to the Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereof for substantial acquisition of shares / voting rights accompanied with change in control.
2. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
3. As on date of this Draft Letter of Offer, no statutory approvals are required in relation to this Offer except as detailed in para 8.7.1 of this Draft Letter of Offer.
4. **This offer is not a competing offer.**
5. **There has been no competing offer or revision of Offer Price as on date of this Draft Letter of Offer.**
6. Shareholders who have tendered shares in acceptance of the Open 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.
7. The Procedure for acceptance is set out in Para 9 of this DLOF. A Form of Acceptance is enclosed with this DLOF.
8. If there is any upward revision in the Offer Price by the Acquirers at any time prior to commencement of the last one working day before the commencement of the tendering period viz. **Wednesday, 24th July, 2024** you will be informed by way of another Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published. The Acquirers shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer.
9. A copy of the Public Announcement, detailed Public Statement and the Draft Letter of Offer (including Form of Acceptance-cum-Acknowledgement) would also be available on SEBI's Website: www.sebi.gov.in.
11. All correspondence relating to this offer, if any, should be addressed to the Manager to Offer or Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Navigant NAVIGANT CORPORATE ADVISORS LIMITED 804, Meadows, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 Tel No. +91-22-4120 4837 / 4973 5078 Email Id- navigant@navigantcorp.com Investor Grievance Email: info@navigantcorp.com Website: www.navigantcorp.com SEBI Registration Number: INM000012243 Contact Person: Mr. Sarthak Vijlani	 ADROIT CORPORATE SERVICES PRIVATE LIMITED 18-20, Jafferbhoy Industrial Estate, 1 st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059 Tel No.: +91-22-42270449 E-mail Id: haraprasadn@adroitcorporate.com Investor Grievance Email: info@adroitcorporate.com Website: www.adroitcorporate.com SEBI Registration No: INR000002227 Contact Person: Mr. Hara Prasad Nahak
OFFER OPENS ON: FRIDAY, 26 TH JULY, 2024	OFFER CLOSES ON: THURSDAY, 08 TH AUGUST, 2024

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Date	Day
Public Announcement	03.06.2024	Monday
Publication of Detailed Public Statement in newspapers	10.06.2024	Monday
Submission of Detailed Public Statement to BSE, Target Company & SEBI	10.06.2024	Monday
Last date of filing draft letter of offer with SEBI	18.06.2024	Tuesday
Last date for a Competing offer	02.07.2024	Tuesday
Receipt of comments from SEBI on draft letter of offer	09.07.2024	Tuesday
Identified date*	11.07.2024	Thursday
Date by which letter of offer be posted to the shareholders	19.07.2024	Friday
Last date for revising the Offer Price	24.07.2024	Wednesday
Comments from Committee of Independent Directors of Target Company	24.07.2024	Wednesday
Advertisement of Schedule of activities for open offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchange and Target Company	25.07.2024	Thursday
Date of Opening of the Offer	26.07.2024	Friday
Date of Closure of the Offer	08.08.2024	Thursday
Post Offer Advertisement	16.08.2024	Friday
Payment of consideration for the acquired shares	23.08.2024	Friday
Final report from Merchant Banker	30.08.2024	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 Promoter, Acquirers and Selling Company) are eligible to participate in the Offer any time before the closure of the Offer.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are 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.

- 1) The Offer involves an offer to acquire up to 26% of the Emerging Equity and Voting Share Capital of ISL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 2) In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a “stay” of the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the shareholders of ISL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirers 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, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by SEBI. Without prejudice of Regulation 18(11) of the SEBI (SAST) Regulations, 2011 Acquirers shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of ten per cent per annum, however in case the delay was not attributable to any act of omission or commission of the Acquirers, or due to the reasons or circumstances beyond the control of Acquirers, SEBI may grant waiver from the payment of interest. The Acquirers will not proceed with the Open Offer in the event statutory or other approval/s, if any, as may be required, are refused in terms of Regulation 23(1) of SEBI (SAST) Regulations.

- 3) The Equity Shares tendered in the Offer shall be held in in trust by the Clearing Corporation / Registrar to the Offer until the completion of the Offer formalities and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of equity Shares in this offer and/or dispatch of payment consideration are delayed. Further, during such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer and the Acquirers do not make any assurance with respect to the market price of the Equity Shares at any time, whether during or after the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
- 4) Public Shareholders should note that once they have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer, even if the acceptance of Equity Shares under the Offer and dispatch of consideration is delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer and/or Clearing Corporation notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirers and Manager to the Offer make no assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Public Shareholders on whether or not to participate in this Offer.
- 5) Public Shareholders should note that if they have pledged their Equity Shares in any manner, they will not be able to tender such pledged Equity Shares in this Offer.
- 6) This Offer is subject to completion risks as would be applicable to similar transactions.
- 7) NRI and OCB holders of the Equity Shares must obtain all approval/s required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approval/s along with the Form of Acceptance and other documents required to accept this Offer. In the event such approval/s are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) were required to obtain any approval/s (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approval/s that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approval/s and/or relevant documents are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.
- 8) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Draft Letter of Offer ("DLOF") resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements.
- 9) The Public Shareholders are advised to consult their respective legal and tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

B. IN ASSOCIATION WITH THE ACQUIRERS

- 10) The Acquirers intend to acquire 31,14,488 fully paid-up equity shares of Rs.10/- each, representing 26.00% of the Emerging Equity and Voting Share Capital at a price of Rs. 18/- (Rupees Eighteen Only) per equity share. ISL does not have any partly paid-up equity shares as on the date of the PA, DPS and this DLOF.

The Acquirers make 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 Acquirers make no assurance with respect to the financial performance of the Target Company.

- 11) The Acquirers and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers 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.

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1. DEFINITIONS

TERM	DESCRIPTION
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification.
Acquirer-1	Mr. Karbhari Pandurang Dhatrak
Acquirer-2	Mrs. Jayashree Karbhari Dhatrak
Acquirer-3	Mr. Chetan Karbhari Dhatrak
Acquirers / The Acquirers	Collectively Mr. Karbhari Pandurang Dhatrak, Mrs. Jayashree Karbhari Dhatrak and Mr. Chetan Karbhari Dhatrak
AOA	Articles of Association
Board	The Board of Directors of Target Company
BSE	BSE Limited
Buying Broker / Member	Nikunj Stock Brokers Limited
CIN	Corporate Identification Number
Detailed Public Statement or DPS	Public Statement of the Open Offer made by the Acquirers, which appeared in the newspapers on June 10, 2024
DLoO / DLOF or Draft Letter of Offer	This Draft Letter of offer dated 18 th June, 2024 filed with SEBI pursuant to Regulation 16 (1) of SEBI (SAST) Regulations.
Existing Share & Voting Capital / Fully paid Equity Existing Share & Voting Capital	Paid up share capital of the Target Company i.e. Rs. 24,88,000 divided into 2,48,800 Equity Shares of Rs. 10/- Each
Emerging Equity Share & Voting Capital / Emerging Share Capital / Emerging Voting Capital	1,19,78,800 fully paid -up equity shares of the face value of Rs. 10/- each of the Target Company being the capital post allotment of 1,17,30,000 equity shares to the Acquirers and others on preferential basis
EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
Identified Date	Thursday, 11 th July, 2024
ISL/Target Company/ TC/ Inertia / Company	Inertia Steel Limited
Listing Agreement	Listing agreement as entered by the Target Company with the BSE
Manager to the Offer or, Merchant Banker	Navigant Corporate Advisors Limited

TERM	DESCRIPTION
Negotiated Price	Rs. 12.00/- (Rupees Twelve Only) per fully paid-up Equity Share of face value of Rs. 10/- each.
Offer/Open Offer/ The Offer	Cash Offer to acquire up to 31,14,488 Equity Shares of Rs. 10/- each representing 26.00% of the Emerging Equity and voting share capital of the Target Company, to be acquired by the Acquirers, at a price of Rs. 18/- per Equity share.
Offer Price	Rs. 18/- (Rupees Eighteen Only) per fully paid-up Share of Rs. 10/- each.
PA	Public Announcement
PAC/PACs	Person(s) Acting in Concert
Persons eligible to participate in the Offer/ Shareholders	Registered shareholders of Inertia Steel Limited, and unregistered shareholders who own the Shares of ISL on or before the last date of tendering period is eligible to participate in the offer except the Acquirers, Promoter of Target Company and Selling Company
Preferential Issue / Pref. Issue/ Pref. Allotment	Proposed preferential allotment as approved by Board of Directors of the Target Company at their Board Meeting held on June 03, 2024 subject to approval of members and other regulatory approvals of 1,17,30,000 equity shares (85,00,000 equity shares to Acquirers in kind against acquisition of 99,96,000 equity shares of Banganga Paper Mills Limited ("BPML" / "Selling Company") at Rs. 12/- and 32,30,000 to public category investors at an issue price of 12/- (including a premium of Rs. 2/- per equity share).
Registrar or Registrar to the Offer	Adroit Corporate Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations / the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended up to date.
SEBI Act	Securities and Exchange Board of India Act, 1992.
Selling Company	Banganga Paper Mills Limited
Stock Exchange (s)	BSE Limited
Shares	Equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Draft Letter of Offer, all figures have been expressed in "Lacs" unless otherwise specifically stated. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ISL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE /OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, NAVIGANT CORPORATE ADVISORS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 18TH JUNE, 2024 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER

- 3.1.1** This Offer, being a mandatory open offer is being made by the Acquirers to the Shareholders of the Target Company with an intention to acquire substantial acquisition of Equity Shares and Voting Rights accompanied with change in control of the Target Company in accordance with Regulation 3 (1) and 4 of the Takeover Regulations.
- 3.1.2** The Board of Directors of the Target Company at their meeting held on June 03, 2024, has authorized a preferential allotment of 85,00,000 fully paid- up Equity Shares of face value of Rs. 10/- each on preferential basis representing 70.96% of Emerging Equity and Voting Share Capital of the Target Company for kind i.e. against acquisition of 99,96,000 equity shares of Banganga Paper Mills Limited ("BPML" / "Selling Company") at a price at a price of Rs. 12/- (Twelve Only) per fully paid- up Equity Share to the Acquirers. (21,25,000 equity shares to Acquirer -1, 42,50,000 equity shares to Acquirer -2 and 21,25,000 equity shares to Acquirer -3) in compliance with the provisions of Companies Act, 2013 ("Act") and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto ("SEBI ICDR Regulations, 2018"). The Board of Directors of the Target Company also at their meeting held on June 03, 2024, has authorized a preferential allotment of 32,30,000 fully paid- up Equity Shares of face value of Rs. 10/- each on preferential basis to certain public category investors. The consent of the members of the Target Company for the proposed preferential allotment is being sought through issuance of notice of extra ordinary general meeting to be held on June 29, 2024.
- 3.1.3** Consequent upon acquiring the shares pursuant to the preferential allotment, the post preferential shareholding of the Acquirers will be 85,00,000 equity shares constituting 70.96% of the Emerging Equity and Voting Share Capital. Pursuant to proposed allotment and completion of Open Offer, the Acquirers will be holding substantial stake and will be in control over the Target Company.
- 3.1.4** The detailed proposed allotment of Equity Shares of the Target Company to Acquirers at a price of Rs. 12/- per Equity Share are tabled below:

Name of Acquirers	Pre-Transaction Shareholding Number and % of Total Present Share Capital	Total No. of Equity Shares to be allotted of TC under preferential issue	Total Number of Equity Shares held in TC post Pref. Issue	% of Total Number of Equity Shares on Emerging Share & Voting Capital
Acquirers				
Mr. Karbhari Pandurang Dhatrak (Acquirer-1)	Nil	21,25,000	21,25,000	17.74%
Mrs. Jayashree Karbhari Dhatrak (Acquirer-2)	Nil	42,50,000	42,50,000	35.48%
Mr. Chetan Karbhari Dhatrak (Acquirer-3)	Nil	21,25,000	21,25,000	17.74%
Total	Nil	85,00,000	85,00,000	70.96%

- 3.1.5** The pre and post- preferential allotment capital of the Target Company would be as under:

Particulars	No. of Equity Shares	Nominal Value (Rs.)
Existing equity and voting share capital	2,48,800	24,88,000
Proposed preferential allotment of Equity Shares	1,17,30,000	11,73,00,000
Post Preferential allotment Emerging Voting Capital	1,19,78,800	11,97,88,000

- 3.1.6** Post completion of Offer, the Target Company proposes to make Selling Company as its Subsidiary. Presently out of 1,00,00,000 equity shares, 99,96,000 equity shares of Selling Company are owned by Acquirer-1 (24,99,000 equity shares), Acquirer-2 (49,98,000 equity shares) and Acquirer-3 (24,99,999 equity shares) and they have entered Share Purchase and Shares Subscription Arrangement ("SSA") dated June 03, 2024 with Target Company to sell their shares in Selling company against acquisition of Equity Shares of Target Company by way of subscription in Preferential Issue.

3.1.7 The salient features of SSA are as follows:

- (i) Seller-1, Seller-2 and Seller-3 are the owner of fully paid- up equity shares 24,99,000, 49,98,000 and 24,99,000 respectively, representing 99.96% of the issued shares of Selling Company i.e. Banganga Paper Mills Limited.
- (ii) Seller-1, Seller-2 and Seller-3 desires to sell, transfer and deliver to the purchaser and the purchaser i.e. i.e. Target Company has desired to purchase from Seller-1, Seller-2 and Seller-3, all the shares, on the terms and subject to the conditions set out in SSA.
- (iii) Seller-1, Seller-2 and Seller-3 agreed to sell and the purchaser agreed to purchase the shares, free and clear of all liens, encumbrances, claim and other obligations.
- (iv) The purchase price payable by purchaser to the Seller-1, Seller-2 and Seller-3 for the shares ("the Purchase Price") is Rs. 10,20,00,000/- (Rupees Ten Crores and Twenty Lakhs Only).
- (v) The Payment of the Purchase Price shall be satisfied by consideration other than cash as mentioned below:
 - a. Seller-1 will be allotted 21,25,000 fully paid-up Equity shares of purchaser i.e. Target Company, of face value of Rs. 10 each at an issue price of Rs. 12 each and
 - b. Seller-2 will be allotted 42,50,000 fully paid-up Equity shares of purchaser i.e. Target Company, of face value of Rs. 10 each at an issue price of Rs. 12 each and
 - c. Seller-3 will be allotted 21,25,000 fully paid-up Equity shares of purchaser i.e. Target Company, of face value of Rs. 10 each at an issue price of Rs. 12 each.

3.1.8 Acquirers recognize that the Shares to be acquired under Preferential Issue is the subject matter of the Takeover Regulations and accordingly will acquire Shares under Preferential Issue only after due compliance with the Takeover Regulations under regulation 22 (1) of the SEBI SAST Regulations or comply escrow mechanism in terms of Regulation 22 (2A) of the SEBI SAST Regulations.

3.1.9 Consequent upon acquiring the shares pursuant to the preferential allotment, the post preferential shareholding of the Acquirers will be 85,00,000 equity shares constituting 70.96% of the Emerging Equity Share & Voting Capital. Pursuant to proposed allotment the Acquirers will be holding substantial stake and will be in control over the Target Company. Accordingly, this offer is being made in terms of Regulation 3(1) and Regulation 4 read with Regulation 13(2)(g) and other applicable provisions of the Takeover Regulations.

3.1.10 The Offer is not a competing offer under Regulation 20 of SEBI (SAST) Regulations.

3.1.11 The Acquirers do not have any 'person acting in concert' with it, as defined in Regulation 2(1)(q)(1) of the SEBI SAST Regulations, for the purpose of this Offer.

3.1.12 The Current and proposed shareholding of the Acquirers in Target Company and the details of their acquisition is as follows:

Sr. No.	Particulars	Acquirer -1		Acquirer-2		Acquirer-3	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
(i)	Shareholding as on PA date i.e. 03 th June, 2024	Nil	Nil	Nil	Nil	Nil	Nil
(ii)	Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil	Nil	Nil
(iii)	Shares to be acquired in Preferential Issue	21,25,000	17.74%*	42,50,000	35.48%*	21,25,000	17.74%*
(iv)	Shares to be acquired in the Open Offer (assuming full acceptances)	7,78,622	6.50%*	15,57,244	13.00%*	7,78,622	6.50%*
(v)	Post Offer shareholding [assuming full acceptance] (On Diluted basis, as on 10 th working day after closing of tendering period)	29,03,622	24.24%*	58,07,244	48.48%*	29,03,622	24.24%*

**Computed as a percentage of Emerging Equity and Voting Share Capital of ISL.*

3.1.13 The Acquirers have not been prohibited by SEBI, from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

- 3.1.14** The Acquirers may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations). No proposal in this regard has been finalised as on the date of this Draft Letter of Offer.
- 3.1.15** Acquirers are engaged in the field of paper manufacturing business. The main objects of Target Company is to carry on business as merchants, packers, traders, commission agents, business agents, selling agents, brokers, adatias, buyers, seller, indentors, importers, exporters, dealers in, commodities, mineral, ores, raw materials, manufactured products, goods and ware, plant, Machinery, spares, accessories, tools wool, raw silk, yarn fibers, garments, apparels, handlooms, cottage industries, poultry and dairy milk products, tobacco, leather wares, timber products, rubber and rubber products, plastics and plastic products, paper and paper products, electronic, steel and steel products, furniture, hardware, building construction materials, dyes, chemicals, petrochemicals, products, fertilizers, colours, paints glass and glassware ceramics, electrical items, household appliances, office equipments, stationeries, automobiles products, gold, silver, diamonds, precious stones and jewelers and to act as Export House. However, presently it does not have any major operational revenue and By virtue of acquiring substantial stake and also the management control of the Target Company, Acquirers intend to continue the same line of business or diversify in to other areas of operations with the prior approval of the shareholders, while getting a ready listing platform. The main purpose of this takeover is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.1.16** The Manager to the Open Offer i.e. Navigant Corporate Advisors Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.17** There are no directions subsisting or proceedings pending against the Manager to the Open Offer under SEBI Act, 1992 and regulations made there under, also by any other Regulator.
- 3.1.18** There are no penalties levied by SEBI / RBI against the Manager to the offer.
- 3.1.19** No complaint has been received by the merchant banker in relation to the open offer.
- 3.1.20** Simultaneously, by virtue of triggering of Regulation 3(1) and 4 of the Regulations due to substantial acquisition along with the management control; the PA was submitted with BSE on 03rd June, 2024 in compliance with Regulation 13(1) of the Regulations by the Acquirers. The PA was also submitted with SEBI and the Target Company in compliance with the Regulation 14(2) of the Regulations.
- 3.1.21** In accordance with Regulation 26 (6) and 26(7) of the SEBI SAST Regulations, the committee of independent directors of the Target Company are required to provide its written reasoned recommendations on the Offer to the Shareholders and such recommendations are required to be published in the specified form at least 2 (two) Working Days before the commencement of the Tendering Period.
- 3.1.22** Upon completion of the Offer, assuming full acceptance in the offer, pursuant to the completion of Preferential Issue, Acquirers will hold 1,16,14,488 Equity Shares of Rs. 10/- (Rupees Ten only) equity shares constituting 96.96% of the Emerging Equity Share and Voting Capital of the Target Company. In terms of Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of SCCR, the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. Pursuant to the completion of this Offer, assuming full acceptance, in the event the Public Shareholding in the Target Company falls below the minimum public shareholding requirement as per SCRR and SEBI (LODR) Regulations, the Acquirers undertake to bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and as per applicable SEBI guidelines. Acquirers are intended to retain the listing of Target Company.
- 3.1.23** In case the shareholding of the Acquirers exceeds maximum permissible non-public shareholding pursuant to the Offer, Acquirers will not be eligible to make a voluntary delisting offer under SEBI (Delisting of Equity Shares) Regulations, 2021 unless a period of 12 (twelve) months has elapsed from the date of the completion of the Offer Period.

3.2 Details of the Proposed Offer

- 3.2.1 The Public Announcement in connection with the Offer was made by the Managers to the Offer on behalf of the Acquirers to the BSE on 03rd June, 2024 and submitted to SEBI on 03rd June, 2024 and sent to the Target Company on 03rd June, 2024.
- 3.2.1 The DPS in connection with the Offer was published on behalf of the Acquirers on 10th June, 2024 in the following newspapers: (a) Financial Express - English Daily (all editions); (b) Jansatta - Hindi Daily (all editions); (c) Mumbai Lakshadeep - Marathi Daily (Mumbai edition). The DPS was also submitted to SEBI and the Stock Exchange and sent to the Target Company on 10th June, 2024. The DPS is available on the SEBI website (www.sebi.gov.in).
- 3.2.2 The Acquirers are making this Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulations, to acquire up to 31,14,488 Equity Shares of Rs. 10/- each representing up to 26.00% of the Emerging Equity Share & Voting Capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Draft Letter of Offer, at a price of Rs. 18/- per equity share. These Shares are to be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.3 There are no partly paid-up Shares in the Target Company.
- 3.2.4 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.
- 3.2.5 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.
- 3.2.6 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.
- 3.2.7 The Acquirers have not acquired any Equity Shares from the date of the Public Announcement to the date of this Draft Letter of Offer. The Acquirers shall disclose during the Offer Period any acquisitions made by the Acquirers of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchange and to the Target Company at its registered office within 24 (twenty four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 3.2.8 There has been no competing offer as of the date of this Draft Letter of Offer.
- 3.2.9 The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirers from time to time in this regard.

3.3 Object of the Offer:

- 3.3.1 The Acquirers shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of the proposed preferential issue and the Open Offer.
- 3.3.2 The prime object of this acquisition is to acquire management control of the Target Company. Upon successful completion of open offer, Acquirers shall achieve substantial acquisition of Equity Shares and voting capital and intending to acquire control over Target Company in terms of Regulation 4 of SEBI (SAST) Regulations, 2011 and will be identified as part of Promoter and Promoter group of the Target Company.
- 3.3.3 The Acquirers may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations).
- 3.3.4 The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of ISL 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 off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that it

shall 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.

- 3.3.5 Pursuant to this Offer, the Acquirers shall become the Promoters of the Target Company and, the existing promoter will cease to be the promoter of the Target Company and shall be classified as a public shareholder in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations.

4. BACKGROUND OF THE ACQUIRERS:

4.1 The details of the Acquirer-1 are as follows:

Acquirer - 1: Mr. Karbhari Pandurang Dhatrak:

1. Mr. Karbhari Pandurang Dhatrak S/o Mr. Pandurang Dhatrak, is a 66 years old Resident Indian currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91-9422750736, Email: bangangapapers@gmail.com; He holds degree of Diploma in Civil Engineering from Board of Technical Examinations Maharashtra State. He has not changed / altered his name at any point of time.
2. Acquirer-1 carries a valid passport of Republic of India and also holds a Permanent Account Number (PAN) ABFPD7972A.
3. Acquirer-1 is having over 8 years' experience in the field of paper manufacturing business. Earlier he has worked at irrigation department as a deputy engineer for 35 years.
4. Acquirer-1 does not belong to any group.
5. CA Mukesh Agarwal (Membership No. 307279), Proprietor of M K K Agarwal & Associates, Chartered Accountants (Firm Registration No. 328816E) having their office located at 82, BEE Hive Gardens, Shrishti Apartment, Kolkata - 700056; Tel: +91 9331077602; Email: mukesh130691@gmail.com vide certificate dated April 22, 2024 has certified that Net Worth of Acquirer-1 is Rs 420.59 Lacs as on March 31, 2024. (UDIN:24307279BKCSTE1220).
6. Acquirer-1 does not hold any Equity Shares or voting rights in the Target Company as on the date of the PA, DPS and DLOF. Acquirer-1 has not acquired any Equity Shares of the Target Company between the date of the PA i.e., June 03, 2024 and the date of this DLOF. However, Acquirer-1 has agreed to buy 21,25,000 Equity Shares by way of Proposed Preferential Issue.
7. As on the date of this DLOF, Acquirer-1 does not have any interest in Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to proposed preferential issue.
8. The details of the Companies in which Acquirer-1 is director is tabled as below:

Name of Company	Designation	Corporate Identification Number
Banganga Paper Mills Limited	Managing Director	U17014MH2023PLC408130

Acquirer - 2: Mrs. Jayashree Karbhari Dhatrak:

1. Mrs. Jayashree Karbhari Dhatrak W/o Mr. Karbhari Pandurang Dhatrak, is a 60 years old Resident Indian currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91-9860280844, Email: jayshree.dhatrak@gmail.com; She holds degree of Bachelors of Arts from Yashwantrao Chavan Maharashtra Open University, Nashik. Prior to marriage she her maiden name was Jayshree Ramchandra Baburao Gambhiray.
2. Acquirer-2 carries a valid passport of Republic of India and also holds a Permanent Account Number (PAN) AELPD3027K.
3. Acquirer-2 is having over 12 years in the field of administration and accounts.
4. Acquirer-2 does not belong to any group.

5. CA Mukesh Agarwal (Membership No. 307279), Proprietor of M K K Agarwal & Associates, Chartered Accountants (Firm Registration No. 328816E) having their office located at 82, BEE Hive Gardens, Shrishti Apartment, Kolkata - 700056; Tel: +91 93321077602; Email: mukesh130691@gmail.com vide certificate dated April 22, 2024 has certified that Net Worth of Acquirer-2 is Rs 1,684.50 Lacs as on March 31, 2024. (UDIN:24307279BKCSTF8554).
6. Acquirer-2 does not hold any Equity Shares or voting rights in the Target Company as on the date of the PA, DPS and DLOF. Acquirer-2 has not acquired any Equity Shares of the Target Company between the date of the PA i.e., June 03, 2024 and the date of this DLOF. However, Acquirer-2 has agreed to buy 42,50,000 Equity Shares by way of Proposed Preferential Issue.
7. As on the date of this DLOF, Acquirer-2 does not have any interest in Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to proposed preferential issue.
8. The details of the Companies in which Acquirer-2 is director is tabled as below:

Name of Company	Designation	Corporate Identification Number
Banganga Paper Mills Limited	Director	U17014MH2023PLC408130

Acquirer - 3: Mr. Chetan Karbhari Dhatrak:

1. Mr. Chetan Karbhari Dhatrak S/o Mr. Karbhari Pandurang Dhatrak, is a 40 years old Resident Indian currently residing at 18, Shramadeep Bunglow, Matoshri Nagar, Near Chandak Circle, Tidake Colony, Nashik - 422002, Tel. No. +91-9970249100, Email: chetan.dhatrak@gmail.com; He holds degree in Master of Computer Application (MCA) from University of Pune. He has not changed / altered his name at any point of time.
2. Acquirer-3 carries a valid passport of Republic of India and also holds a Permanent Account Number (PAN) AFXPD0969H.
3. Acquirer-3 is having over 15 years in the field of paper manufacturing business. Acquirer-3 is also having experience of 2 years in the information technology field as a software engineer.
4. Acquirer-3 does not belong to any group.
5. CA Mukesh Agarwal (Membership No. 307279), Proprietor of M K K Agarwal & Associates, Chartered Accountants (Firm Registration No. 328816E) having their office located at 82, BEE Hive Gardens, Shrishti Apartment, Kolkata - 700056; Tel: +91 93321077602; Email: mukesh130691@gmail.com vide certificate dated April 22, 2024 has certified that Net Worth of Acquirer-3 is Rs 274.73 Lacs as on March 31, 2024. (UDIN:24307279BKCSTG3217).
6. Acquirer-3 does not hold any Equity Shares or voting rights in the Target Company as on the date of the PA, DPS and DLOF. Acquirer-3 has not acquired any Equity Shares of the Target Company between the date of the PA i.e., June 03, 2024 and the date of this DLOF. However, Acquirer-3 has agreed to buy 21,25,000 Equity Shares by way of Proposed Preferential Issue.
7. As on the date of this DLOF, Acquirer-3 does not have any interest in Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to proposed preferential issue.
8. The details of the Companies in which Acquirer-3 is director is tabled as below:

Name of Company	Designation	Corporate Identification Number
Banganga Paper Mills Limited	Whole Time Director	U17014MH2023PLC408130

4.2 Joint Undertakings / Confirmation by the Acquirers

1. The Acquirers have not acquired any shares of Target Company hence compliances w.r.t. Chapter V of the Takeover Regulations, 2011 in respect of acquisitions of Equity Shares in the Target Company are not applicable to Acquirers.
2. The Acquirers do not have any relations with the Target Company nor have any interest in the Target Company save and except the proposed shareholding to be acquired in the Target Company pursuant to

Preferential Issue. Neither the Acquirers nor their representatives are on the board of the Target Company.

3. The Acquirers have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act (the “SEBI Act”). There are no directions subsisting or proceedings pending against the Acquirers under SEBI Act, 1992 and regulations made thereunder, also by any regulator.
4. Acquirers have confirmed that they are not categorized as a “Willful Defaulter” in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011 nor they are categorized as a “Fugitive Economic Offender” in terms of Regulation (1)(ja) of the SEBI (SAST) Regulations, 2011.
5. The Acquirers have not entered into any non-compete arrangement and/or agreement with the Target Company or its management.
6. As on date of the DLOF, the Acquirers are in compliance with Regulation 6A & Regulation 6B of the Takeover Regulations, 2011.
7. The Acquirers have undertaken that if they acquire any further equity shares of the Target Company during the Offer Period, they shall disclose such acquisition to the Stock Exchange where the equity shares of the Target Company are listed and to the Target Company at its registered office within 24 hours of such acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, they have also undertaken that they will not acquire any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.
8. The Acquirers undertake that they will not sell the equity shares of the Target Company, if any held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.
9. The Acquirers are not registered with any other regulatory / govt. authority in any capacity.
10. None of the Acquirers has promoted any listed company and does not hold any directorship in any listed company.
11. There are no regulatory actions / administrative warnings / directions subsisting or proceedings pending against the Acquirers and any other entities related to Acquirers.
12. There are no penalties levied by SEBI / RBI against the Acquirers and any other entities related to Acquirers by the SEBI / RBI.
13. Acquirers do not have any relationship / association with the Sellers, Target Company and Promoter of Target Company, except its proposed holding to be acquired by way of proposed preferential issue through with the relevant open offer has been triggered.
14. The Equity Shares tendered in this offer will be acquired by Acquirer-1, Acquirer-2 and Acquirer-3 in the ratio of 25%, 50% and 25% respectively.

5. BACKGROUND OF THE SELLING COMPANY I.E. BANGANGA PAPER MILLS LIMITED (“BPML”)

- 5.1 Selling Company was incorporated on 07th August, 2023 under the Companies Act, 2013 in the name and style of “Banganga Paper Mills Limited” in the State of Maharashtra. Selling company has been formed by conversion of erstwhile partnership firm viz., Banganga Paper Mills. The erstwhile partnership firm was formed on 17th October, 2013.
- 5.2 The Corporate Identification Number (“CIN”) of Selling Company is U17014MH2023PLC408130.
- 5.3 The Registered office of Selling Company is presently situated at Sr No 186 Gavalwadi Road, Ramshej Tal Dindori, Ashewadi, Nashik, Maharashtra, India, 422003; Phone No. +91-9970249100; Email id: bangangapaperas@gmail.com.
- 5.4 The main objects of Selling Company as per its MOA, is to carry on the business as the manufacturers, importers, exporters, processors, distributors, stock commission agents, traders, converters and marketing of all types of paper board and pulp products as MG Kraft Paper, Paper Pulp, Various types of Corrugated Paper Products, etc.

5.5 The shareholding pattern of Selling Company as on the date of this DLOF is as follows:

Name of the Person / Entity	No. of equity shares Held	% of the total share Capital
Karbhari Pandurang Dhatriak	24,99,000	24.99%
Jayashree Karbhari Dhatriak	49,98,000	49.98%
Chetan Karbhari Dhatriak	24,99,000	24.99%
Tushar Karbhari Dhatriak	1,000	0.01%
Sujata Tushar Dhatriak	1,000	0.01%
Chandrashekhar Prabhakar Dhatriak	1,000	0.01%
Priyanka Chetan Dhatriak	1,000	0.01%
Total	1,00,00,000	100.00%

5.6 The board of directors of Selling Company as on date of this DLOF is as follows:

Name	Designation	DIN	Date of Appointment in Selling Company
Karbhari Pandurang Dhatriak	Managing Director	10065729	07/08/2023
Chetan Karbhari Dhatriak	Whole Time Director	10064427	07/08/2023
Jayshree Karbhari Dhatriak	Director	10147754	07/08/2023
Ramesh Kacharu Rakh	Director	10330676	20/12/2023
Nidhi Kirti Bhatt	Director	07773954	16/02/2024

5.7 The Authorised Capital of Selling Company is Rs. 1,000.00 Lacs divided in to 1,00,00,000 Equity Shares of Face Value of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of BPML is Rs. 1,000.00 Lacs divided in to 1,00,00,000 Equity Shares of Face Value Rs. 10/- each.

5.8 The brief audited financials of Selling Company for the period ended December 31, 2023 is tabled here under:

(Rs. in Lacs)	
Profit & Loss Statement	For the period ended December 31,2023 (Audited)
Revenue from Operations	1,959.86
Other Income	1.73
Total Income	1,961.59
Total Expenditure (Excluding Depreciation and Interest)	1,817.31
Profit (Loss) before Depreciation, Interest & Tax	144.28
Depreciation	67.00
Interest	41.66
Profit / (Loss) before Tax and Exceptional Items	35.62
Exceptional Items	-
Profit / (Loss) before Tax	35.62
Tax Expenses	10.69
Profit /(Loss) after Tax	24.94

(Rs. in Lacs)	
Balance Sheet Statement	For the period ended December 31,2023 (Audited)
Sources of Funds	
Paid up Share Capital	1,000.00
Reserves & Surplus (Excluding Revaluation Reserve)	18.73
Non -Current Liabilities	
Long term borrowings	596.33
Current Liabilities	

Balance Sheet Statement	For the period ended December 31,2023 (Audited)
Short term Borrowings	734.12
Trade Payable	933.45
Other current liabilities	169.08
TOTAL	3,451.71
Uses of Funds	
Fixed Assets	
Non -Current Assets	1,669.72
Current Assets	1,781.99
TOTAL	3,451.71

Other Financial Data	For the period ended December 31,2023 (Audited)
Net Worth (Rs. in Lacs)	1,018.73
Dividend (%)	-
Earnings Per Share (Rs.)	0.25
Return on Net worth (%)	2.45
Book Value Per Share (Rs.)	10.19

5.9 The board of directors and the shareholders of the Selling Company in their meeting held on June 03, 2024 have approved the Share Purchase and Share Subscription Agreement between the Target Company and itself, whereby the existing shareholders of Selling Company will get Equity Shares of Rs. 10 each of Target Company, through preferential allotment for their respective shareholding in Selling Company based on the Valuation Report dated June 03, 2024 issued by Bhavesh M Rathod, Chartered Accountants, Registered Valuer - Securities or Financial Assets, (IBBI Registration No.: IBBI/RV/06/2019/10708) (UDIN: 24119158BKAEZG2599)

5.10 Post completion of the share swap and the Offer, Selling Company will become subsidiary of the Target Company.

5.11 Confirmations by the Selling Company:

- i. There has been no merger, demerger or spin-off during the last three years involving the Selling Company.
- ii. The Selling Company, its promoters and directors have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act. The Selling Company are neither sick companies within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor are under winding up.
- iii. On successful completion of the Preferential Issue, the Selling Company will become subsidiary of the Target Company.
- iv. As of the date of the DLOF, neither the Selling Company nor their directors and/nor their key managerial personnel have any interest in the Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to the Preferential Issue. As of the date of this DLOF, there are no directors representing the Selling Companies on the Board of Directors of the Target Company.
- v. As on date of the DLOF, the Selling Company do not hold any Equity Shares of the Target Company and therefore compliance with Chapter V of the Takeover Regulations are not applicable.
- vi. The Selling Company undertakes that they will not sell the Equity Shares of the Target Company, if any held by them during the Offer Period in terms of Regulation 25(4) of the Takeover Regulations.

- vii. The Selling Company undertakes that they will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the TP and until the closure of the TP as per the Regulation 18(6) of the Takeover Regulations.

6. 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)

- 6.1 Target Company was originally incorporated as “Tarun Kumar Trade and Export Limited vide Certificate of Incorporation dated 05th June, 1984 under the provisions of the Companies Act, 1956. Subsequently, the Target Company has changed its name from “Tarun Kumar Trade and Export Limited” to “Inertia Steel Limited” and a fresh Certificate of Incorporation consequent upon change of name and objects was issued by Registrar of Companies, Mumbai, Maharashtra on 08th September, 2004 under the Companies Act, 1956. The Corporate Identification Number is L51900MH1984PLC033082 The Registered office of Target Company is presently situated at Shop No 155 Second Floor, Raghuleela Mall, Borsa Pada Road Poiser Borivali West, Kandivali West, Mumbai, Maharashtra, India, 400067; Phone No. (+91) 7030595007; Email id: contact@inertiasteel.com.
- 6.2 The Authorised Capital of ISL is Rs. 25.00 Lacs divided in to 2,50,000 Equity Shares of Face Value of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of ISL is Rs. 24.88 Lacs divided in to 2,48,800 Equity Shares of Face Value Rs. 10/- each. ISL has established its connectivity currently with both the National Securities Depository Limited and Central Depository Services (India) Limited. The ISIN of ISL is INE767M01011.
- 6.3 Target Company has been carrying on business as merchants, packers, traders, commission agents, business agents, selling agents, brokers, adatis, buyers, seller, indentors, importers, exporters, dealers in, commodities, mineral, ores, raw materials, manufactured products, goods and ware, plant, Machinery, spares, accessories, tools wool, raw silk, yarn fibers, garments, apparels, handlooms, cottage industries, poultry and dairy milk products, tobacco, leather wares, timber products, rubber and rubber products, plastics and plastic products, paper and paper products, electronic, steel and steel products, furniture, hardware, building construction materials, dyes, chemicals, petrochemicals, products, fertilizers, colours, paints glass and glassware ceramics, electrical items, household appliances, office equipments, stationeries, automobiles products, gold, silver, diamonds, precious stones and jewelers and to act as Export House.
- 6.4 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. 2,007 Equity Shares held by public shareholders are under lock in till December 31, 2024.
- 6.5 The entire present and paid- up Equity Shares of the Target Company is currently listed on BSE Limited, Mumbai (“BSE”).
- 6.6 The shares of the Target Company are listed at BSE Limited (“BSE”) having scrip code and id is 512025 and INERTIAST respectively. The Equity Shares of Target Company are infrequently traded on BSE in terms of Regulation 2 (1) (j) of the Takeover Regulations.
- 6.7 The Company has complied with the requirements of the Listing Agreement with BSE and as on date no penal action has been initiated by the BSE.

- 6.8 The details of Share Capital of Target Company are as follows:

Paid up Equity Shares of ISL	No. of Equity Shares/ Voting rights	% of Shares / voting rights
Fully paid-up Equity Shares	2,48,800	100.00
Partly paid-up Equity Shares	NIL	NIL
Total Equity Shares	2,48,800	100.00
Total Voting Rights in the Target Company	2,48,800	100.00

- 6.9 The details of pre and post- preferential allotment capital of the Target Company would be as under:

Particulars	No. of Equity Shares	Nominal Value (Rs.)
Existing equity and voting share capital	2,48,800	24,88,000
Proposed preferential allotment of Equity Shares	1,17,30,000	11,73,00,000
Post Preferential allotment Emerging Voting Capital	1,19,78,800	11,97,88,000

6.10 As on date of this DLOF, the Board of Directors of Target Company are as follows:

Name	Designation	DIN	Date of Appointment in Target Company
Rajesh Govind Pote	Whole Time Director	10287655	24/05/2024
Vijay Singh Shekhawat	Non - Executive Non -Independent Director	03447468	07/02/2024
Rajesh Ramesh Rao Salway	Non - Executive Non -Independent Director	05145913	07/02/2024
Jeny Vinod Kumar Gowadia	Independent Director	03014009	14/08/2023
Dhiren Ashok Bontra	Independent Director	09591605	14/08/2023

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

6.12 There has been no change in the name of Target Company at any point of time except from “Tarun Kumar Trade and Export Limited” to its present name i.e., “Inertia Steel Limited” which has been effected from 08th September, 2004.

6.13 Brief financial information of ISL for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 are given below:

(Rs. in Lacs)			
Profit & Loss Statement	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Revenue from Operations	39.40	31.70	36.38
Other Income	-	23.50	-
Total Income	39.40	55.20	36.38
Total Expenditure (Excluding Depreciation and Interest)	41.59	36.81	42.25
Profit (Loss) before Depreciation, Interest & Tax	(2.19)	18.39	(5.87)
Depreciation	-	-	-
Interest	-	-	-
Profit / (Loss) before Tax and Exceptional Items	(2.19)	18.39	(5.87)
Exceptional Items	-	-	-
Profit / (Loss) before Tax	(2.19)	18.39	(5.87)
Tax Expenses	(0.00)	4.78	-
Profit / (Loss) after Tax	(2.19)	13.61	(5.87)

(Rs. in Lacs)			
Balance Sheet Statement	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Sources of Funds			
Paid up Share Capital	24.88	24.88	24.88
Reserves & Surplus (Excluding Revaluation Reserve)	3.12	5.31	(8.30)
Non -Current Liabilities			
Borrowings	-	-	-
Other Non -Current Liabilities	-	-	-
Deferred tax liabilities (net)	-	-	-
Provisions	-	-	-
Current Liabilities			
Borrowings	-	-	-
Trade Payable	-	-	-
Short term Provisions	-	-	-
Other Financial Liabilities	4.12	0.93	1.05

Balance Sheet Statement	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Other current liabilities	20.00	14.78	-
TOTAL	52.12	45.90	17.63
Uses of Funds			
Fixed Assets			
Non -Current Assets	0.00	12.83	12.83
Current Assets	52.11	33.07	4.80
TOTAL	52.11	45.90	17.63

Other Financial Data	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)	For the year ended March 31, 2022 (Audited)
Net Worth (Rs. in Lacs)	27.99	30.19	16.58
Dividend (%)	-	-	-
Earnings Per Share (Rs.)	(0.88)	5.47	(2.36)
Return on Net worth (%)	(7.78)	45.08	(35.43)
Book Value Per Share (Rs.)	0.11	12.12	6.66

6.14 The Shareholding pattern of the ISL, as on the date of this DLOF is as follows:

Shareholder Category	Number of Equity Shares of the Target Company	Percentage of Equity Share Capital (%)
Promoter	15,997	6.43
Public	2,32,803	93.57
Total	2,48,800	100.00

6.15 The current capital structure of the Company has been build up since inception, are as under:

Date of Allotment	Shares Issued		Cumulative paid-up capital		Mode of Allotment	Identity of allottees (Promoters / Others)	Status of Compliance with SEBI SAST Regulations 1997 / 2011
	No.	% to total Share Capital	No.	% to total Share Capital			
Incorporation	70	100.00	70	100.00	Cash	Subscribers to MOA	Capital Issued prior to Listing
IPO & Prior IPO*	2,48,730	99.97	2,48,800	100.00	Cash	Promoters	Complied
Total	2,48,800				--		

*The Company has been listed on BSE w.e.f. 12-02-1985, The Company is not able to trace the exact dates of issuance of capital prior to listing being records are very old.

6.16 Pre- and Post-Offer shareholding pattern of the ISL is as per the following table:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to allotment under Pref. Issue which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
		No.	% \$	No.	%*	No.	%*	No.	%*
1.	Promoter & Promoter Group								
	a. Parties to Agreement	-	-	-	-	-	-	-	-

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to allotment under Pref. Issue which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
	b. Promoters Other than (a) above	15,997	6.43%	-	-	-	-	-	-
	Total 1 (a+b)	15,997	6.43%	-	-	-	-	-	-
2.	Acquirers								
	a. Acquirer-1	-	-	21,25,000	17.74%	7,78,622	6.50%	29,03,622	24.24%
	b. Acquirer-2	-	-	42,50,000	35.48%	15,57,244	13.00%	58,07,244	48.48%
	b. Acquirer-3	-	-	21,25,000	17.74%	7,78,622	6.50%	29,03,622	24.24%
	Total 2 (a+b)	-	-	85,00,000	70.96%	31,14,488	26.00	1,16,14,488	96.96%
3.	Parties to agreement other than (1)	-	-	-	-	-	-	-	-
4.	Parties (other than promoters, sellers / Acquirers	-	-	-	-	-	-	-	-
	a. Fls/MFs/FILs/Banks/SFI	-	-	-	-	-	-	-	-
	b. Others	2,32,803	93.57%	32,30,000	26.96%	(31,14,488)	(26.00)	3,64,312	3.04%
	Total no. of shareholders i.e. 133 in "Public Category"								
	Total	2,48,800	100%	1,17,30,000	97.92%	Nil	Nil	1,19,78,800	100%

\$Computed as a %age of existing equity and voting share capital of ISL.

**Computed as a percentage of Emerging Equity and Voting Share Capital of ISL.*

6.17 The number of Shareholders in ISL in public category is 133 as on 31st March, 2024. As on date of this DLOF, there are no depository receipts of shares issued in foreign countries.

6.18 This is to inform that on 29th September, 2022, Open Offer to the public shareholders was given by Mr. Vasantraai Ratilal Mehta ("Acquirer"). However, Target Company vide letter dated February 23, 2023 informed to BSE Limited ("BSE") that Acquirer along with the Promoters and Public Shareholders have mutually terminated the said Share Purchase Agreements dated 29th September, 2022 for the proposed transaction and hence the acquisition of 64,350 equity shares of the Company was not undertaken. Further, Target Company vide letter dated February 24, 2023 also intimated to BSE that, Target Company have been informed that since 20% of the purchase consideration at the time of signing of the SPA and balance on completion of the offer period in terms of Article 3.2 of the SPA, was not paid, the parties have mutually terminated the SPA vide Deed of Termination dated 23rd February, 2023. Accordingly, the said acquisition of 64,350 equity shares of the Company was not undertaken.

6.19 There is delay in compliance after completion of previous open offer as mentioned above as mentioned above with the applicable provisions of the SEBI (SAST) Regulations/ with respect to Regulation 31(4) of SEBI (SAST) Regulations. SEBI may take appropriate action against the Promoter and Promoter Group of Target Company for the same.

Regulation	Due date of Compliance	Actual date of compliance	Delay / non-filing	Remarks
31(4)	09-Apr-2024	13-May-2024	34	Delayed by 34 days

6.20 Target Company is not a sick Company.

6.21 There are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and regulations made thereunder, also by any regulator.

6.22 Target Company are not registered with any other regulatory / govt. authority in any capacity. There are no regulatory actions / administrative warnings / directions subsisting or proceedings pending against the Target Company or its promoters. There are no penalties levied by SEBI / RBI against the Target Company or its promoters.

6.23 Status of corporate governance compliances by ISL: -

The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company as the paid-up equity capital of Target Company is less than Rs. Ten Crores and Net Worth of Target Company is also less than Rs. Twenty- Five Crores. Hence as per Regulation 15 (2), corporate governance provisions specified Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

6.24 Mr. Jitendra Rajendra Patil is the Company Secretary & Compliance Officer of the Company and his address is Shop No 155 Second Floor, Raghuleela Mall, Borsa Pada Road Poiser Borivali West, Kandivali West, Mumbai, Maharashtra, India, 400067; Phone No. (+91) 7030595007; Email id: contact@inertiasteel.com.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai (BSE). The shares are placed under **Group "XT"** having a Scrip Code of **"512025"** & Scrip Id: **"INERTIAST"** on the BSE.

7.1.2 The equity shares of the Target Company are infrequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations on BSE.

The annualized trading turnover of the equity shares of the Target Company on BSE during Twelve calendar months prior to the month of PA date (May, 2023 - April, 2024) is as given below:

Name of the Stock Exchange	Total number of equity shares traded during the preceding 12 months prior to the month of PA	Total Number Equity Shares listed	Annualized Trading Turnover (as % of total Listed Equity Shares)
BSE	142	2,48,800	0.06%

Source: www.bseindia.com

7.1.3 The Offer Price of Rs 18.00/- (Rupees Eighteen Only) is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations on the basis of the following:

SR. NO.	PARTICULARS	PRICE (IN RS. PER SHARE)
(a)	Highest of Negotiated price per Equity Share (Price to be payable in Proposed Preferential Issue by Acquirers)	12.00/-*
(b)	The volume- weighted average price paid or payable for acquisitions by the Acquirers during 52 weeks immediately preceding the date of PA.	Not Applicable
(c)	Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA.	Not Applicable
(d)	the volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period. (In case of frequently traded shares only)	Not Applicable as Equity Shares are Infrequently Traded
(e)	Where the Equity Shares are not frequently traded, the price determined by the Acquirers and the Manager to the Offer taking into account valuation	18.00/-**

SR. NO.	PARTICULARS	PRICE (IN RS. PER SHARE)
	parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	

*The Negotiated price per Equity Share i.e. the price at which equity shares allotted to the Acquirers on preferential basis has been arrived based on Valuation Report dated June 03, 2024 issued by Bhavesh M Rathod, Chartered Accountants, Registered Valuer - Securities or Financial Assets, (IBBI Registration No.: IBBI/RV/06/2019/10708) in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Price arrived by valuer is Rs 11.25 per equity share.

Further valuer has mentioned in his report that the present issue of Equity Shares shall result in change in control of the Company. Accordingly, valuer added the control premium of 5% to the value considering the Regulation 166A of SEBI ICDR Regulations. Accordingly, valuer after considering the control premium of 5% has arrived at value of Rs 11.82 per equity share, which is rounded off to Rs. 12 per equity share.

**The Fair Value of equity share of the Target Company is Rs. 18/- (Rupees Eighteen only) as certified by Alpa N. Dhami, Independent Valuer, (Membership No. 102514), Proprietor of A. N. Dhami, Chartered Accountants, having their office situated at 503, Iccha Kutir, Vayudevyta Complex, Devidas Road, Borivali West, Mumbai-400103; Tel. No: +91 9819593929; Email: alpa.dhami@gmail.com vide valuation certificate dated June 03, 2024. (UDIN: 241014BKILGA6326).

The rationales for providing the multiples, as communicated by Ms. Alpa N. Dhami, Independent Valuer are as below:

- The valuation has been arrived by average of NAV method, PECV method and Market Price method by assigning weights of 90.00%, 5.00% and 5.00% respectively to each method.
- Under NAV method the value has been taken based on latest available financials as on March 31, 2024, since asset base of company dominates earnings hence, 90% weightage given to NAV method.
- Under PECV method, average of profits of financial year 2021, 2022, 2023 and 2024. Capitalization Rate of 15% has been considered to arrive value under PECV method. Further, since there is no major operational revenue and constant earnings hence 5% weightage given to PECV method.
- Under Market Price method the value has been taken based on last traded price of equity share, since it is infrequently traded hence 5% weightage has been given to Market Price method.

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 18/- (Rupees Eighteen only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

7.1.4 There has been no corporate action requiring the price parameters to be adjusted.

7.1.5 The Target Company is only listed on BSE Limited and market price of equity shares of Target Company (closing) as on date of public announcement i.e. on 03rd June, 2024 is not applicable as shares of Target Company were not traded on 03rd June, 2024 and market price of equity shares of Target Company (closing) on a day just after public announcement i.e. on 04th June, 2024 is also not applicable as shares of Target Company were not traded on 04th June, 2024.

7.1.6 In the event of any further acquisition of Equity Shares of the Target Company by Acquirers during the offer period, whether by subscription or purchase, at a price higher than offer price, then offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However, it shall not be acquiring any equity shares of Target Company after the third working day prior to commencement of tendering period and until the expiry of tendering period.

7.1.7 If the Acquirers acquire any Equity Shares of the Target Company during the period of twenty-six weeks after the closure of Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021 or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.

- 7.1.8 As on date of this DLOF, there is no revision in the Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers will comply with all the provisions of the Regulation 18(5) of the Takeover Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- 7.1.9 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only upto one working day prior to the date of commencement of the tendering period in accordance with Regulation 18(4) of the Takeover Regulations and would be notified to the shareholders by way of another public announcement in the same newspapers where the DPS has appeared. The same will also be informed to SEBI and BSE.

7.2 Financial Arrangements

- 7.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirers under the offer would be Rs. 5,60,60,784/- (Rupees Five Crores Sixty Lacs Sixty Thousand Seven Hundred Eighty Four Only) ("maximum consideration") i.e. consideration payable for acquisition of 31,14,488 equity shares of the target Company at offer price of Rs. 18/- per Equity Share.
- 7.2.2 The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirers.
- 7.2.3 The Acquirers, the Manager to the Offer and Kotak Mahindra Bank Limited, a Banking Corporation incorporated under the laws of India, have entered into an escrow agreement for the purpose of the Offer (the "Escrow Agreement") in accordance with regulation 17 of the SEBI (SAST) Regulations, 2011. Pursuant to the Escrow Agreement, the Acquirers on June 04, 2024 have deposited cash of an amount of Rs. 6,00,000 in an escrow account opened with Kotak Mahindra Bank Limited, which is in excess to 1% of the Offer Consideration. Further, HDFC Bank, on behalf of the Acquirers have furnished a bank guarantee aggregating to an amount of Rs. 140.15 Lacs in favor of Manager to the Offer ("Bank Guarantee") which is equal to 25% of the Offer Consideration. The Manager to the Offer has been duly authorized Manager to the Offer to realize the value of the aforesaid Bank Guarantee and Escrow in terms of the SEBI (SAST) Regulations, 2011. The Bank Guarantee is valid up to February 03, 2025. The Acquirers undertake that in case the offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended at least up to 30th day from the date of completion of payment of Offer Consideration.
- 7.2.4 The Acquirers have duly empowered Navigant Corporate Advisors Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 7.2.5 Further, in order to ensure that the funds that are payable to the Eligible Public Shareholders who tender in the Offer are managed more efficiently, the Acquirers have opened the Offer Special Account with the Kotak Mahindra Bank Limited under the Offer Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations. The Manager to the Offer has been authorized by the Acquirers to operate and realize the monies lying to the credit of the Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 7.2.6 The Manager to the Offer, M/s Navigant Corporate Advisors Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations. The Manager to the Offer, M/s. Navigant Corporate Advisors Limited, hereby confirms that the Acquirers are capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations.
- 7.2.7 CA Mukesh Agarwal (Membership No. 307279), Proprietor of M K K Agarwal & Associates, Chartered Accountants (Firm Registration No. 328816E) has certified that the Acquirers have sufficient resources to make the fund requirement for fulfilling all the obligations under the Offer.
- 7.2.8 Acquirers hereby undertake that in case of any upward revision of offer price, Acquirers will correspondingly increase the escrow amount.

8. TERMS AND CONDITIONS OF THE OFFER:

- 8.1. The Draft Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those public shareholders of ISL (except the Promoter, Acquirers and Selling Company) whose name appear on the Register of Members, at the close of business hours on 11th July, 2024 ("**Identified Date**").
- 8.2. All owners of the shares, Registered or Unregistered (except the Promoter, Acquirers and Selling Company) 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 9 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.
- 8.3. The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. While it would be insured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt the Letter of Offer by any member entitled to this open offer will not invalidate the Offer in any manner whatsoever.
- 8.4. Subject to the conditions governing this Offer, as mentioned in the DLOF, 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.
- 8.5. **Locked-in Shares:**

2,007 Equity Shares held by public shareholders are under lock in till December 31, 2024.
- 8.6. **Eligibility for accepting the Offer:**

The Offer is made to all the public shareholders (except the Promoter, Acquirers and Selling Company) whose names appeared in the register of shareholders on 11th July, 2024 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).
- 8.7. **Statutory Approvals and conditions of the Offer:**
 - 8.7.1. To the best of knowledge and belief of the Acquirers, as of the date of this DLOF, except approval of BSE in accordance with Regulation 28 of SEBI (LODR) Regulations, 2015 in respect of Proposed Preferential Issue, there are no other statutory approvals required for this Offer. However, if any statutory approval that become applicable prior to completion of this Offer, this Offer would also be subject to the receipt of such other statutory approvals that may become applicable at a later date.
 - 8.7.2. Non-resident equity shareholders who wish to tender their equity shares in the Target Company in this Offer will be required to submit all the applicable Reserve Bank of India (hereinafter referred to as "RBI") approvals that they would have obtained for acquiring, the equity shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the equity shares tendered in the Offer."
 - 8.7.3. The Acquirers, 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 the DPS has appeared. However, since the proposed open offer is pursuant to public announcement made under Regulation 13 (2) (g) of SEBI (SAST) Regulations, Hence, in accordance with proviso of Regulation 23 (1) of SEBI (SAST) Regulations, Acquirers shall not withdraw open offer even if the proposed acquisition through the preferential issue is not successful.
 - 8.7.4. 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 wilful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
 - 8.7.5. No approval is required from any bank or financial institutions for this Offer.

- 8.7.6. Target Company is not required to obtain NOC from any regulatory / govt. authority for effecting change in control;
- 8.7.7. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

- 9.1. The Open offer will be implemented by the Acquirers through the Stock Exchange Mechanism made available by the Stock Exchange in the form of a separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended by SEBI Circular CFD/DCR/2/CIR/P/2016/131 dated December 09, 2016 and as per further amendment vide SEBI Circular SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021
- 9.2. BSE Limited ('BSE') shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.
- 9.3. 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").
- 9.4. The Acquirers have appointed Nikunj Stock Brokers Limited, Stock 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:

Nikunj Stock Brokers Limited
A-92, Ground Floor, Left Portion,
Kamla Nagar, New Delhi - 110007
Tel: +91-11-47030017-18 / 9999492292
E-mail: complianceofficer@nikunjonline.com
Website: www.nikunjonline.com
SEBI Registration No.: INZ000169335

- 9.5. 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.
- 9.6. 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.
- 9.7. The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.
- 9.8. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer
- 9.9. Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client with KYC Compliant.
- 9.10. Shareholders should not submit/tender their equity shares to Manager to the Open offer, the Acquirer or the Target Company
- 9.11. **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 would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the order/bid 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 Exchange/ 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.

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

- a) Shareholders who are holding physical equity shares 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 favour of the Acquirers;
 - 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 Aadhar 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 9.12(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 9.12(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 “ISL 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 Acquirers 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.

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

9.14. 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

9.15. Procedure for Tendering the Shares in case of Non-Receipt of the 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 Draft 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 the 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.navigantcorp.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 the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share 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.

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

9.17. 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 Acquirers 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.

As per the recent amendment of SEBI vide its circular SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.

9.18. Settlement Process

- 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 Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.

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

9.19. Settlement of Funds/ Payment Consideration

The settlement of fund obligation for demat 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 Acquirers 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 Acquirers for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Navigant Corporate Advisors Limited, 804, Meadows, Sahar Plaza Complex, J B Nagar, Andheri-Kurla Road, Andheri East, Mumbai-400-059 from 11.30 a.m. to 2.30 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer. Shareholders have option to verify below mentioned records electronically by placing a request on the email i.e. navigant@navigantcorp.com by providing details such as DP-ID-Client ID and Folio No etc.

- Certificate of Incorporation, Memorandum and Articles of Association of Inertia Steel Limited.
- Certificates dated 22nd April, 2024 issued by CA Mukesh Agarwal (Membership No. 307279), Proprietor of M K K Agarwal & Associates, Chartered Accountants (Firm Registration No. 328816E) certifying the Net worth of Acquirers.
- Memorandum of Understanding between Lead managers i.e. Navigant Corporate Advisors Limited & Acquirers.
- Annual Reports of Inertia Steel Limited for years ended on March 31, 2021, 2022 and 2023.
- Escrow Agreement dated 03rd June, 2024 executed between Acquirers and Kotak Mahindra Bank Limited and Navigant Corporate Advisors Limited ("Escrow Agreement").
- Bank Statement of Kotak Mahindra Bank Limited confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation.
- Share Purchase and Share Subscription Agreement dated 03rd June, 2024 entered between Mr. Karbhari Pandurang Dhatriak, Mrs. Jayashree Karbhari Dhatriak and Mr. Chetan Karbhari Dhatriak, Inertia Steel Limited and Banganga Paper Mills Limited.
- Valuation Report of Banganga Paper Mills Limited ("Selling Company") dated 03rd June, 2024 issued by Bhavesh M Rathod, Chartered Accountants, Registered Valuer - Securities or Financial Assets, (IBBI Registration No.: IBBI/RV/06/2019/10708).

- Valuation Report of Inertia Steel Limited (“Target Company”) dated 03rd June, 2024 issued by Bhavesh M Rathod, Chartered Accountants, Registered Valuer - Securities or Financial Assets, (IBBI Registration No.: IBBI/RV/06/2019/10708) in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- Valuation Report of Inertia Steel Limited (“Target Company”) dated 03rd June, 2024 issued by Alpa N. Dhami, Independent Valuer, (Membership No. 102514), Proprietor of A. N. Dhami, Chartered Accountants in accordance with Securities and Exchange Board of India (“SEBI”) Substantial Acquisition of Shares and Takeover Regulations, 2011 (“SAST Regulations”).
- Notice of Extra Ordinary General Meeting (“EGM”) dated 03rd June, 2024 of Inertia Steel Limited.
- Copy of Public Announcement dated 03rd June, 2024.
- Published copy of the Detailed Public Statement, which appeared in the newspapers on 10th June, 2024.
- Copy of Recommendation made by Committee of Independent Directors of ISL dated (.).
- Observation letter no (.) dated (.) on the Draft Letter of Offer filed with the Securities and Exchange Board of India.

11. DECLARATION BY THE ACQUIRERS

We have made all reasonable inquiries, accept responsibility for, and confirm that this DLOF contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this DLOF is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

We jointly and severally are responsible for ensuring compliance with the Takeover Regulations and the obligations as stated under the Takeover Regulations. All information contained in this document is true and correct as on date of the PA, DPS and this DLOF, unless stated otherwise.

We hereby declare and confirm that all the relevant provisions of Companies Act, 2013 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 2013 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

Signed by:

Sd/-

Mr. Karbhari Pandurang Dhatrak
(Acquirer-1)

Sd/-

Mrs. Jayashree Karbhari Dhatrak
(Acquirer-2)

Sd/-

Mr. Chetan Karbhari Dhatrak
(Acquirer-3)

Place: Nashik

Date: 18th June, 2024

ENCLOSURES:

1. Form of Acceptance cum Acknowledgement
2. Blank Share Transfer Deed(s) in the case of shares held in physical mode.