

LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This letter of offer (“**Letter of Offer**”) is sent to you as a Public Shareholder (*as defined below*) of HG Industries Limited (*Formerly Himalaya Granites Limited*). If you require any clarifications about the action to be taken, you may consult your stock broker or investment adviser or consultant or the Manager to the Offer (*as defined below*) or the Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over this Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of the stock exchange through whom the said sale was effected.

Open Offer (“**Offer**”)

by

Greenlam Industries Limited

A public limited company incorporated under the Companies Act, 1956

Registered Office: 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi - 110 037, India

Tel: +91 11 4279 1399; **CIN:** L21016DL2013PLC386045; **Website:** www.greenlamindustries.com

(hereinafter referred to as the “**Acquirer**”)

to acquire the entire public shareholding of upto 11,62,602 fully paid-up equity shares of face value of ₹ 5/- each (“Equity Shares”) representing 25.09% of the Voting Share Capital (*as defined below*) of HG Industries Limited (*Formerly Himalaya Granites Limited*) at a price of ₹ 41/- (“Offer Price”) per Equity Share payable in cash pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“SEBI (SAST) Regulations”) from the Public Shareholders of

HG Industries Limited (*Formerly Himalaya Granites Limited*)

A public limited company incorporated under the Companies Act, 1956

Registered Office: Panchalam Village, Melpetta Post, Tindivanam, Tamil Nadu - 604307, India;

Tel. No.: +91 4147-290021, +91 9599137015; **CIN:** L20100TN1987PLC015161; **Website:** www.hgl.co.in.

(hereinafter referred to as the “**Target Company**”)

Notes:

1. This Offer is being made by the Acquirer pursuant to and in compliance with Regulations 3(1), 4 and other applicable provisions of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As of the date of this Letter of Offer, to the best of knowledge of the Acquirer, no statutory approvals are required by the Acquirer to acquire Equity Shares of the Target Company that are validly tendered pursuant to the Offer or to complete the Offer or to acquire Equity Shares from the Sellers in terms of the SPA (*as defined below*). However, in case of any other statutory approvals being required by the Acquirer at a later date before the closure of the tendering period, then the Open Offer and acquisition of Equity Shares from the Sellers in terms of the SPA shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. For more details regarding the statutory and other approvals for the Offer, please see paragraph 7.4 (*Statutory and other approvals*) of this Letter of Offer.
5. Non-Resident Indians (“**NRI**”), Overseas Corporate Bodies (“**OCB**”) or any other non-resident holders of Equity Shares (“**NR Shareholders**”), if any, must obtain all requisite approvals or exemptions required to tender Equity Shares held by them in this Offer and submit such approvals or exemptions, along with the other documents required to accept this Offer. If NR Shareholders required any approvals (including from the Reserve Bank of India or any other regulatory authority) for holding Equity Shares, they will be required to submit copies of such approvals and other documents to be provided as set out in paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*) of this Letter of Offer, to tender Equity Shares held by them pursuant to this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. However, where the statutory approvals extend to some but not all holders of the Equity Shares of the Target Company, the Acquirer shall have the option to make payment to such holders of the Equity Shares of the Target Company in respect of whom no statutory approvals are required in order to complete this Open Offer.

6. The Acquirer will have the right not to proceed with this Open Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, in the event the statutory approvals which may be required by the Acquirer at a later date are refused or if any of the conditions stipulated in the SPA are not met. In the event of withdrawal of this Open Offer, the Acquirer confirms that, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement (*as defined below*) was published, and such public announcement will also be sent to the SEBI, the BSE and the Target Company, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
7. As on the date of this Letter of Offer, there is no revision in Offer Price or Offer Size (*as defined below*). If there is any revision in the Offer Price or Offer Size on account of future purchases or competing offers, such revision will be done only up to the period prior to 1 Working Day before the commencement of the tendering period of this Offer in accordance with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amount in accordance with Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform the SEBI, the BSE, and the Target Company at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders whose Equity Shares are accepted under the Open Offer.
8. No person is acting in concert with the Acquirer for the purpose of this Open Offer.
9. **As per the information available with the Acquirer and the Manager to the Offer, there has been no competing offer as of the date of this Letter of Offer.**
10. A copy of the Public Announcement (*as defined below*), the Detailed Public Statement (*as defined below*) and the Draft Letter of Offer (*as defined below*) are available, and a copy of this Letter of Offer (including the Form of Acceptance) is expected to be available, on the website of SEBI at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>DAM Capital Advisors Limited (Formerly IDFC Securities Limited) One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India Contact Person: Gunjan Jain / Chandresh Sharma Tel: +91 22 4202 2500 Fax: +91 22 4202 2504 E-mail: hg.openoffer@damcapital.in Website: http://www.damcapital.in/ SEBI Registration Number: MB/INM000011336 Validity Period: Permanent</p>	 <p>Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Contact Person: Sumeet Deshpande Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: hgindustries.offer@linkintime.co.in Investor grievance e-mail: hgindustries.offer@linkintime.co.in Website: www.linkintime.co.in SEBI Registration No.: INR000004058 Validity Period: Permanent CIN: U67190MH1999PTC118368</p>

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THIS OFFER

Activity	Date and Day	Revised Date and Day ⁽¹⁾
Date of the PA	August 28, 2021, Saturday	August 28, 2021, Saturday
Date of publication of the DPS	September 3, 2021, Friday	September 3, 2021, Friday
Date of filing of the Draft Letter of Offer with SEBI	September 13, 2021, Monday	September 13, 2021, Monday
Last date for public announcement for competing offer(s) ⁽²⁾	September 27, 2021, Monday	September 27, 2021, Monday
Last date for receipt of SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer)	October 4, 2021, Monday	October 7, 2021 ⁽³⁾ , Thursday
Identified Date ⁽⁴⁾	October 6, 2021, Wednesday	October 11, 2021, Monday
Last date by which the Letter of Offer will be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	October 13, 2021, Wednesday	October 20, 2021, Wednesday
Last date for publication of recommendation of the committee of the independent directors of the Target Company to the Public Shareholders for this Open Offer	October 20, 2021, Wednesday	October 25, 2021, Monday
Last date for upward revision of the Offer Price and/ or the Offer Size	October 20, 2021, Wednesday	October 25, 2021, Monday
Publication of advertisement containing announcement of the schedule of activities of this Offer, status of statutory and other approvals, if any, and procedure for tendering acceptance, in the newspapers where the DPS has been published	October 21, 2021, Thursday	October 26, 2021, Tuesday
Date of commencement of the tendering period (“ Offer Opening Date ”)	October 22, 2021, Friday	October 27, 2021, Wednesday
Date of closure of the tendering period (“ Offer Closing Date ”)	November 8, 2021, Monday	November 11, 2021, Thursday
Last date for communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	November 23, 2021, Tuesday	November 26, 2021, Friday
Last date for publication of post-Open Offer public announcement in the newspapers in which the DPS has been published	November 30, 2021, Tuesday	December 3, 2021, Friday
Last date for filing the post-Open Offer report with SEBI	November 30, 2021, Tuesday	December 3, 2021, Friday

(1) SEBI’s comments on the Draft Letter of Offer were received on October 7, 2021. Accordingly, the revised dates and days for the above-mentioned activities are set out in the revised schedule.

(2) There has been no competing offer as of the date of this Letter of Offer.

(3) Date of receipt of SEBI’s observation letter on the Draft Letter of Offer.

(4) The Identified Date is only for the purpose of determining the Public Shareholders to whom this Letter of Offer is sent. It is clarified that all Public Shareholders (even if they acquire Equity Shares and become shareholders after the Identified Date) are eligible to participate in the Open Offer during the tendering period for the Open Offer, subject to the terms and conditions set out in this Letter of Offer.

RISK FACTORS

Set forth below are the risk factors relating to the underlying transaction, the Offer and the probable risks involved in associating with the Acquirer. These risk factors are not in relation to the present or future business operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by the Public Shareholders in this Offer but are merely indicative. The Public Shareholders are advised to consult their stock broker or legal, financial, tax or investment advisors/ consultants, if any, for analysing and understanding all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares. For capitalized terms used herein please refer to the Definitions set out on page 8 of this Letter of Offer.

A. Risks relating to the underlying transaction and the Open Offer

1. In accordance with the terms and conditions of the SPA, the completion of the underlying transaction is subject to the satisfaction or waiver of the conditions precedent set out in the SPA. Some of these conditions precedent are set out at paragraph 3.1.4(vi) of this Letter of Offer. The underlying transaction is subject to completion risks as would be applicable to a similar transaction.
2. As of the date of this Letter of Offer, to the best of knowledge of the Acquirer, no statutory approvals are required by the Acquirer to acquire Equity Shares of the Target Company that are validly tendered pursuant to the Offer or to complete the Offer or to acquire Equity Shares from the Sellers in terms of the SPA. However, in case of any other statutory approvals being required by the Acquirer at a later date before the closure of the tendering period, then the Open Offer and acquisition of Equity Shares from the Sellers in terms of the SPA shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. The Acquirer will have the right not to proceed with this Open Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, in the event the statutory approvals which may be required by the Acquirer at a later date are refused. In the event of withdrawal of this Open Offer, the Acquirer confirms that, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS was published, and such public announcement will also be sent to the SEBI, the BSE and the Target Company, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
3. In case of delay in receipt or non-receipt of any statutory approvals which may be required by the Acquirer at a later date, then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders for the delay. However, where the statutory approvals extend to some but not all holders of the Equity Shares of the Target Company, the Acquirer shall have the option to make payment to such holders of the Equity Shares of the Target Company in respect of whom no statutory approvals are required in order to complete this Open Offer.
4. In case of delay in making payment of consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer, the Acquirer will be liable to pay interest to such Public Shareholders at the rate of 10% per annum for the period of delay in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations. However, if SEBI is satisfied that the delay was not attributable to any act of omission or commission of the Acquirer or the delay was due to the reasons or circumstances beyond the control of the Acquirer, then SEBI may grant waiver from the payment of interest.
5. NR Shareholders, if any, must obtain all requisite approvals or exemptions required to tender Equity Shares held by them in this Offer and submit such approvals or exemptions, along with the other documents required to accept this Offer. If NR Shareholders required any approvals (including from the Reserve Bank of India or any other regulatory authority) for holding Equity Shares, they will be required to submit copies of such approvals and other documents to be provided as set out in paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*) of this Letter of Offer, to tender Equity Shares held by them pursuant to this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
6. The Equity Shares once tendered through the Form of Acceptance in the Offer cannot be withdrawn by the Public Shareholder till the acceptance of Equity Shares and payment of consideration to the Public Shareholders. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer or Clearing Corporation (*as defined below*), on behalf of the Public Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer or Clearing Corporation during such period, even if the acceptance of the Equity Shares in this Offer and, or dispatch of payment consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares and the Public Shareholder will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer or Clearing Corporation, thereby restricting the ability of such Public Shareholders to take advantage of any favourable price movements.

7. The Acquirer, its directors and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement (“PA”), the Detailed Public Statement (“DPS”) or this Letter of Offer or in any advertisement or any corrigenda or any materials issued by or at the instance of the Acquirer. Further, the Acquirer and the Manager to the Offer do not accept responsibility with respect to the information contained in the PA, the DPS or this Letter of Offer or in any advertisement or any corrigenda or any materials issued by or at the instance of the Acquirer that pertains to the Target Company and, or, the Sellers which has been provided by the Target Company, the Sellers or taken from publicly available sources and have not independently verified the accuracy of such information. Any persons placing reliance on any other source of information will be doing so at their own risk.
8. The PA, the DPS, and this Letter of Offer have not and will not be filed, registered or approved in any jurisdiction outside India and have been prepared in accordance with the applicable laws and regulations in India, including the SEBI Act and the SEBI (SAST) Regulations. The recipients of this Letter of Offer who are resident in jurisdictions outside India should inform themselves of and comply with the applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
9. The Public Shareholders are advised to consult their respective tax advisers for assessing the tax liability pursuant to this 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 Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Letter of Offer. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choice, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer.

B. Risks relating to the Acquirer

1. The National Stock Exchange of India Limited (“NSE”) has levied monetary fine on the Acquirer for non-constitution of risk management committee in terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) for quarters ended December 31, 2020, September 30, 2020, and June 30, 2020. Similarly, the BSE has levied monetary fine on the Acquirer for non-constitution of risk management committee in terms of Regulation 21 of the SEBI Listing Regulations for quarter ended December 31, 2020. The Acquirer has paid the fine, in protest, to both, the BSE and the NSE, and has subsequently received a letter from the NSE waiving the entire fine levied by the NSE. We cannot assure you that the Acquirer will not commit non-compliances in future and any non-compliance by the Acquirer with the listing obligations and disclosure requirements prescribed in the SEBI Listing Regulations could result in stringent penalties. For more details, please refer to paragraph 4.14 of this Letter of Offer.
2. Shiv Prakash Mittal, the Non-Executive Chairman of the Acquirer, filed a settlement application and paid settlement amount to SEBI in relation to a matter pertaining to trading in the illiquid options in the F&O segment of BSE for the period April 1, 2014 to September 30, 2015, carried out by 14,720 entities including Shiv Prakash Mittal. SEBI through its Settlement Order dated January 14, 2021 has settled these proceedings. In addition, SEBI has issued a show cause notice (“SCN”) to *inter alia* Matangi Gowrishankar, a director of the Acquirer, with respect to her directorship in Cox and Kings Financial Services Limited (“CKFSL”). Matangi Gowrishankar has filed her reply to the SCN with SEBI and the matter is currently pending before SEBI. We cannot assure you that the no such actions will be taken against the directors of the Acquirer in the future and any non-compliance by the directors of the Acquirer of securities law could result in stringent penalties. For more details of these proceedings, please refer to paragraph 4.16 of this Letter of Offer.
3. The Acquirer and the Manager to the Offer make no assurances with respect to the Acquirer’s investment or divestment decisions relating to the Acquirer’s proposed shareholding in the Target Company.
4. The Acquirer and the Manager to the Offer make no assurances with respect to the continuation of the past trend in the financial performance or of the future performance of the Target Company and disclaim any responsibility with respect to any decision by the Public Shareholders on whether to participate in the Open Offer.
5. The Acquirer and the Manager to the Offer make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not to participate in this Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

6. None of the Acquirer or the Manager to the Offer will be responsible in any manner for any loss of Offer acceptance documents during transit.
7. After the acquisition of the Equity Shares tendered in the Open Offer, if the public shareholding in the Target Company falls below the minimum level required for continuous listing under Regulation 38 of the SEBI Listing Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, then the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and other applicable law. Failure to comply with the foregoing could have an adverse effect on the price and tradability of the Equity Shares.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to 'Rupees' or '₹' or 'INR' or 'Rs.' are references to Indian Rupee, the currency of the Republic of India.

In this Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

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1. DEFINITIONS

Unless the context otherwise indicates or implies, the words, expressions or terms used in this Letter of Offer shall have the meaning set out below, and references to any statute or regulations, rules or acts or policies shall include amendments thereto, from time to time. The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SCRR, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the Depositories Act, 1996, the SEBI (SAST) Regulations, other apposite statute, or the rules and regulations made thereunder.

Term	Definition
Acquirer	Greenlam Industries Limited, a public limited company incorporated under the Companies Act, 1956 having its registered office at 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi - 110 037, India
AOP	Association of Persons
BOI	Body of Individuals
BSE	BSE Limited
Buying Broker	DAM Capital Advisors Limited (<i>Formerly IDFC Securities Limited</i>), the broker appointed by the Acquirer for the Offer through whom the purchases and settlement of the Equity Shares tendered under the Offer shall be made
CA/Chartered Accountant	Chartered accountant as defined under the Chartered Accountants Act, 1949
CBDT	Central Board of Direct Taxes
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	Clearing Corporation of India Limited
CKYC	Central Know Your Client
Closure of the Tendering Period	The last day by which the Public Shareholders may tender their Equity Shares in acceptance of the Offer
Completion Date	Completion Date bears the meaning as ascribed at paragraph 3.1.4(i) of this Letter of Offer
Depositories	NSDL and CDSL
Designated Stock Exchange	BSE
DIN	Director Identification Number
DIS	Delivery Instruction Slips
DP	Depository Participant
DPS / Detailed Public Statement	Detailed Public Statement dated September 2, 2021 issued by the Manager to the Offer, on behalf of the Acquirer in relation to the Offer and published in Newspapers on September 3, 2021 in accordance with Regulations 3(1) and 4 read with Regulations 13(4), 14(3) and 15(2) of the SEBI (SAST) Regulations

Term	Definition
Draft Letter of Offer	The draft letter of offer dated September 13, 2021
DTAA	Double Taxation Avoidance Agreement
Equity Shares	Fully paid-up equity shares of Target Company having face value of ₹ 5/- each
Equity Share Capital	Fully paid-up equity share capital of Target Company
Escrow Account	Escrow Account bears the meaning ascribed to it at paragraph 6.2.4 of this Letter of Offer
Escrow Agreement	The escrow agreement dated August 30, 2021 entered amongst the Acquirer, the Manager to the Offer and the Escrow Bank
Escrow Bank	HDFC Bank Limited
FATCA	Foreign Account Tax Compliance Act
FII(s)	Erstwhile SEBI registered foreign institutional investor(s), as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Form of Acceptance	Form of acceptance-cum-acknowledgement attached to this Letter of Offer
FPI	Foreign Portfolio Investor, as defined under Regulation 2(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
GAAR	General Anti-Avoidance Rule
HUF	Hindu Undivided Family
Identified Date	Date for the purpose of determining the names of the shareholders of the Target Company as on such date to whom this Letter of Offer would be sent.
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended upto Finance Act, 2021
IPV	In-person Verification
KRA	KYC Registration Agency
KYC	Know Your Client
Letter of Offer	This Letter of Offer dated October 18, 2021, duly incorporating SEBI's comments on the Draft Letter of Offer, including the Form of Acceptance, proposed to be sent to all the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
LTCA	Long-term Capital Asset
LTCG	Long-term Capital Gains
Manager to the Offer	DAM Capital Advisors Limited (<i>Formerly IDFC Securities Limited</i>)
MICR	Magnetic Ink Character Recognition
NEFT	National Electronic Funds Transfer

Term	Definition
Newspapers	Business Standard (English-all editions), Business Standard (Hindi-all editions), Makkal Kural (Tamil-Chennai edition) and Navshakti (Marathi-Mumbai edition), being all the newspapers wherein the DPS was published on behalf of the Acquirer on September 3, 2021.
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016 as amended from time to time
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 11,62,602 Equity Shares, representing 25.09% of the Voting Share Capital, at a price of ₹ 41/- per Equity Share
Offer Consideration	Offer Consideration bears the meaning ascribed to it at paragraph 6.2.1 of this Letter of Offer
Offer Period	The period between the date on which the SPA was executed (i.e. on August 28, 2021) and the date on which the payment of consideration to the Public Shareholders who have accepted the Open Offer is made
Offer Price	₹ 41/- per Equity Share
Offer Size	Up to 11,62,602 Equity Shares, representing 25.09% of the Voting Share Capital
OSV	Original Seen and Verified
PA / Public Announcement	The public announcement in connection with the Offer dated August 28, 2021 issued by the Manager to the Offer on behalf of the Acquirer in relation to this Offer and sent to BSE, SEBI and Target Company on August 28, 2021
PAN	Permanent Account Number
Public Shareholders	All the equity shareholders of the Target Company excluding (i) the shareholders forming a part of the promoter and promoter group of the Target Company; (ii) parties to the share purchase agreement being the Acquirer and (a) Saurabh Mittal, (b) Parul Mittal, (c) Shiv Prakash Mittal, and (d) S. M. Safeinvest Private Limited (each a “Seller” and collectively hereinafter referred to as the “Sellers”); and (iii) any persons acting in concert or deemed to be acting in concert with the persons set out in (i) and, or, (ii).
RBI	Reserve Bank of India
Register of Members	The register of members in terms of Section 88 of the Companies Act, 2013 and includes the register and index of beneficial owners in terms of Section 11 of the Depositories Act, 1996
Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
₹ / Rs. / INR / Rupees	Indian Rupees
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended

Term	Definition
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller	Individually, Saurabh Mittal, Parul Mittal, Shiv Prakash Mittal and S. M. Safeinvest Private Limited
Sellers	Collectively, Saurabh Mittal, Parul Mittal, Shiv Prakash Mittal and S. M. Safeinvest Private Limited
SPA	Share purchase agreement between the Acquirer and the Sellers dated August 28, 2021
Selling Broker	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
STCA	Short-term Capital Asset
STCG	Short-term Capital Gains
STT	Securities Transaction Tax
Stock Exchange	BSE
Target Company	HG Industries Limited (<i>Formerly Himalaya Granites Limited</i>) a public limited company incorporated under the Companies Act, 1956 having its registered office at Panchalam Village, Melpettai Post, Tindivanam, Tamil Nadu - 604307, India
Tendering Period	Period commencing from October 27, 2021 to November 11, 2021 (both days inclusive)
TRS	Transaction registration slip generated by the stock exchange bidding system
UCC	Unique Client Code
Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th Working Day from the Closure of the Tendering Period for the Open Offer
Working Day	It shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

2. DISCLAIMER CLAUSES

2.1 SEBI Disclaimer

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 PUBLIC SHAREHOLDERS OF HG INDUSTRIES LIMITED (*FORMERLY HIMALAYA GRANITES LIMITED*) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER i.e. ‘DAM CAPITAL ADVISORS LIMITED (*FORMERLY IDFC SECURITIES LIMITED*)’ HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 13, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2.2 General disclaimers

- 2.2.1** This Letter of Offer together with the DPS and the PA, in connection with the Offer, have been prepared for the purpose of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The PA, the DPS, this Letter of Offer and, or, any other advertisement or publication made or delivered in connection with the Offer, under any circumstances, do not imply that there has been no change in the affairs of the Target Company and, or, the Acquirer since the date thereof or that the information contained therein is correct as at any time subsequent to the date thereof. The Acquirer and, or, the Manager to the Offer are under no obligation to update the information contained in the foregoing documents at any time after the date thereof.
- 2.2.2** No action has been or will be taken to permit this Offer in any jurisdiction where registration, qualification or other action would be required for that purpose. This Letter of Offer will be dispatched to all Public Shareholders whose names appear on the Register of Members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the PA, the DPS, this Letter of Offer or any other advertisement / publications made in connection with the Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the PA, the DPS, this Letter of Offer or any other advertisement / publications made in connection with the Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no Public Shareholder in such a jurisdiction may tender his / her / its Equity Shares in this Offer.
- 2.2.3** Persons in possession of the PA, the DPS, this Letter of Offer or any other advertisement / publications made in connection with the Offer are required to inform themselves of any relevant legal restrictions. Any Public Shareholder that tenders its Equity Shares in this Offer shall be deemed to have declared, represented, warranted, and agreed that it is authorised under applicable law to participate in this Offer.
- 2.2.4** This Letter of Offer does not in any way constitute an offer, or an invitation, to sell, any securities in the United States of America if such offer or invitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.
- 2.2.5** This Letter of Offer does not in any way constitute an offer, or an invitation, to sell, any securities in any jurisdiction in which such offer or invitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

3. DETAILS OF THE OPEN OFFER

3.1 Background of the Open Offer

3.1.1 This Offer is a mandatory offer being made by the Acquirer to the Public Shareholders in accordance with Regulations 3(1) and 4 and other applicable provisions of the SEBI (SAST) Regulations, pursuant to the execution of the SPA entered by and between the Sellers and the Acquirer for substantial acquisition of Equity Shares and change in control of the Target Company. The Offer is subject to the terms and conditions set out in the DPS and this Letter of Offer which will be sent to all the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

3.1.2 This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of the Equity Shares or control of the Target Company.

3.1.3 The Acquirer has agreed to acquire Equity Shares from the Sellers at a price of ₹ 40.11/- per Equity Share, payable in cash, subject to the terms and conditions as contained in the SPA. Details of the transaction which has triggered the Offer (underlying transaction) are set out below:

Details of underlying transaction						
Type of Transaction (Direct/Indirect)	Mode of Transaction (Agreement/Allotment/Market Purchase)	Equity Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for Equity Shares/voting rights acquired (in ₹)	Mode of payment (Cash/ securities)	Regulations which have been triggered
		Number of Equity Shares	% vis-à-vis Equity Share / Voting Share Capital			
Direct Acquisition	Direct acquisition of 34,70,966 Equity Shares representing 74.91% of the Voting Share Capital of the Target Company as well as control of the Target Company pursuant to execution of the SPA*.	34,70,966	74.91%	13,92,20,446.26/-	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations

* The Sellers will not hold any Equity Shares once the Acquirer completes the acquisition of 34,70,966 Equity Shares representing 74.91% of the Voting Share Capital of the Target Company from the Sellers in terms of the SPA.

3.1.4 The salient features contained in the SPA are:

- i. The Acquirer has agreed to acquire 34,70,966 Equity Shares representing 74.91% of the Voting Share Capital of the Target Company from the Sellers at a price of ₹ 40.11/- per Equity Share for an aggregate consideration of ₹ 13,92,20,446.26/- subject to fulfilment and, or, waiver and, or, deferral of conditions precedent set out in the SPA, on a date mutually agreed between the Acquirer and the Sellers (“**Completion Date**”).
- ii. The Acquirer and the Sellers have agreed that on the Completion Date, the Sellers shall cease to be in control (as per the meaning ascribed to the term control in the SEBI (SAST) Regulations) over the Target Company. The Acquirer and the Sellers have agreed that, on a best efforts basis, they shall take all such steps to ensure that the Sellers, who are currently part of the promoter and promoter group of the Target Company, re-classify their status in accordance with applicable law including Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, within 18 months from the Completion Date. The Acquirer has agreed that it will exercise its rights at any meeting of the board of directors of the Target Company and, or, shareholders’ meeting of the Target Company in favour of any resolution for such re-classification.
- iii. During the period between the execution date of the SPA and the Completion Date, the Sellers will procure that the Target Company does not *inter alia*, carry on the Business otherwise than in the ordinary and normal course consistent with past practice and existing policies and in compliance with applicable law, without the Acquirer’s consent in writing.
- iv. Until sale of all the Equity Shares held by the Sellers to the Acquirer, the Sellers undertake to, not sell, assign, Encumber, gift, donate, redeem, convert or otherwise dispose thereof any Equity Shares held by them or any

interest therein, directly or indirectly pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of the Equity Shares held by the Sellers or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value and not to transfer or dispose of the Equity Shares held by them or voting interest or interest therein.

- v. The Sellers will promptly inform the Acquirer in writing of any event, occurrence, fact, condition, change, development, or effect that had, has, or may have a Material Adverse Effect or constitute or result in a breach of Clause 10 of the SPA.
- vi. The conditions precedent forming a part of the SPA are reproduced below:
 - a. The Sellers will have delivered to the Acquirer a confirmation that each of the Seller Warranties are true and correct on the Execution Date and the Completion Date.
 - b. The Sellers will have delivered to the Acquirer a confirmation that the Sellers have performed and complied with all requirements, obligations and conditions contained in the SPA, in all material respects, that are required to be performed or complied with by them before Completion.
 - c. The Offer Period for the open offer which will be triggered pursuant to the underlying transaction in terms of the SPA will have been completed including the Acquirer will have made a public announcement, submitted a detailed public statement, a draft letter of offer, a letter of offer and having made payment to the public shareholders of the Target Company in the Open Offer in terms of the SEBI (SAST) Regulations.
 - d. The Acquirer will have deposited at least 25% of the consideration in the escrow account to be opened for the purpose of the Open Offer as per Regulation 17 of the SEBI (SAST) Regulations.
 - e. The Acquirer will have delivered to the Sellers a confirmation that each of the Purchaser Warranties are true and correct on the Execution Date and the Completion Date.
 - f. The Acquirer will have delivered to the Sellers a confirmation that the Acquirer has performed and complied with all requirements, obligations and conditions contained in the SPA, in all material respects, that are required to be performed or complied with by it before Completion.

Capitalised terms used but not defined in paragraph 3.1.4 bear the meaning ascribed to such terms in the SPA.

3.1.5 As on the date of this Letter of Offer, the Sellers hold 34,70,966 Equity Shares constituting 74.91% of the Voting Share Capital of the Target Company. The shareholding and voting rights of the Sellers in the Target Company, before and after transfer of Equity Shares to the Acquirer, pursuant to the SPA, are as follows:

Sr. No.	Name of the Seller	Details of Equity Shares / voting rights held by the Sellers			
		Pre-Transaction		Post-Transaction	
		Number of Equity Shares	% vis-à-vis Voting Share Capital	Number of Equity Shares	% vis-à-vis Voting Share Capital
1.	Saurabh Mittal	33,89,566	73.15	0	0.00
2.	Parul Mittal	56,200	1.21	0	0.00
3.	Shiv Prakash Mittal	25,000	0.54	0	0.00
4.	S. M. Safeinvest Private Limited	200	0.00	0	0.00
Total		34,70,966	74.91*	0	0.00

**Rounded off*

3.1.6 As set out in the table above, the Sellers will not hold any Equity Shares once the Acquirer completes the acquisition of 34,70,966 Equity Shares representing 74.91% of the Voting Share Capital of the Target Company from the Sellers in terms of the SPA.

3.1.7 Pursuant to the Open Offer and the transactions contemplated in the SPA, the Acquirer shall be in control of the Target Company. The Sellers, who are currently part of the promoter and promoter group of the Target Company, intend to re-classify their status in terms of Regulation 31A of the SEBI Listing Regulations.

3.1.8 As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to provide their reasoned recommendations on this Offer. These reasoned recommendations are required to be published at least 2 (two) Working Days before the commencement of the tendering period in the same Newspapers where the DPS was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations and the Target Company is required to send a copy of the same to the SEBI, the BSE, and the Manager to the Offer and in case of a competing offer, to the manager(s) of such competing offer(s).

3.2 Details of this Offer

3.2.1 The PA in connection with the Offer was issued by Manager to the Offer on behalf of the Acquirer on August 28, 2021, which was filed with the BSE and the SEBI and was also sent to the Target Company on August 28, 2021.

3.2.2 In terms of Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS dated September 2, 2021 was published on September 3, 2021 i.e. within 5 (five) Working Days of the date of PA in the following newspapers:

Publication	Language	Edition
Business Standard	English	All
Business Standard	Hindi	All
Makkal Kural	Tamil	Chennai
Navshakti	Marathi	Mumbai

Simultaneously, in accordance with the provisions of Regulation 14(4) of the SEBI (SAST) Regulations, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; and (iii) the Target Company, on September 3, 2021.

3.2.3 A copy of the PA and DPS is available on the website of SEBI (www.sebi.gov.in).

3.2.4 The PA was issued on Saturday, August 28, 2021 which was not a Working Day and Equity Shares were not traded on the BSE on the said date. Set out below are the details of closing market price of Equity Shares:

Closing Market Price as on the day before the date of the PA when Equity Shares were traded i.e. Friday, August 20, 2021* (₹)	Closing Market Price as on the day just after the PA when Equity Shares were traded i.e. Monday, August 30, 2021 (₹)
38.50	40.40

*There was no trading in the Equity Shares on the BSE on and after August 21, 2021 to August 29, 2021
(Source: www.bseindia.com)

3.2.5 The Offer is being made under Regulations 3(1) and 4 of the SEBI (SAST) Regulations by the Acquirer to the Public Shareholders for the acquisition of up to 11,62,602 Equity Shares representing 25.09% of the Voting Share Capital in accordance with the provisions of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the DPS and this Letter of Offer which is proposed to be sent to all the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations. The Voting Share Capital has been calculated based on the data available in public domain.

3.2.6 The Offer is being made at a price of ₹ 41/- per Equity Share and will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.2.7 As on the date of this Letter of Offer, the Target Company does not have any partly paid-up Equity Shares or outstanding convertible securities, depository receipts, warrants or instruments convertible into Equity Shares. None of the Equity Shares are subject to any lock in obligations.

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

3.2.9 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

- 3.2.10 There is no differential pricing for this Open Offer.
- 3.2.11 As per the information available with the Acquirer and the Manager to the Offer, there has been no competing offer as of the date of this Letter of Offer.
- 3.2.12 As of the date of the PA, the Acquirer did not hold any Equity Shares of the Target Company.
- 3.2.13 The Acquirer undertakes that it will not sell the Equity Shares, if any, held by it during the Offer Period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 3.2.14 As on the date of this Letter of Offer, the Acquirer has not acquired any Equity Shares after the date of PA.
- 3.2.15 After the acquisition of the Equity Shares tendered in the Open Offer, if the public shareholding in the Target Company falls below the minimum level required for continuous listing under Regulation 38 of the SEBI Listing Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, then the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and other applicable law.

3.3 Object of the acquisition/Offer

- 3.3.1 The objective of the acquisition is expansion of business of the Acquirer and setting up manufacturing facilities on the properties of the Target Company. The Acquirer reserves the right to streamline or restructure the business, operations, assets and, or, liabilities of the Target Company in ordinary course of business. The Acquirer may also dispose or encumber any assets or investments of the Target Company through sale, lease, reconstruction, restructuring, negotiation, or termination of existing contractual or operating arrangements including office space of the Target Company, for rationalising the assets, investments and, or, liabilities of the Target Company, to improve operational efficiencies and for other commercial reasons. In addition, the Acquirer may, subject to applicable law, consider a merger of the Target Company with the Acquirer post the completion of the Open Offer and consummation of the acquisition of Equity Shares from the Sellers in terms of the SPA. The board of directors of the Target Company will take decisions on the foregoing matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.
- 3.3.2 In terms of Regulation 25(2) of SEBI (SAST) Regulations, as at the date of this Letter of Offer, other than as stated in the DPS and this Letter of Offer, the Acquirer does not have any intention to dispose or otherwise encumber any material assets of the Target Company for 2 years from the end of the Offer Period, save and except (i) in the ordinary course of business (including to dispose or encumber any assets or investments of the Target Company through sale, lease, reconstruction, restructuring, negotiation, or termination of existing contractual or operating arrangements including office space of the Target Company, for rationalising the assets, investments and, or, liabilities of the Target Company, to improve operational efficiencies and for other commercial reasons); or (ii) to the extent required for the purpose of restructuring and, or, rationalization of assets, investments, liabilities or business of the Target Company and, or, merger of the Target Company with the Acquirer post completion of the Open Offer and consummation of the acquisition of Equity Shares from Sellers in terms of the SPA, in compliance with applicable law; or (iii) for alienation of assets of the Target Company that are determined by the board of directors of the Target Company as being surplus and, or, non-core, or on account of any approval or conditions, specified under applicable law. If the Acquirer alienates any material asset of the Target Company other than as disclosed in the DPS and this Letter of Offer, within a period of 2 years from the end of the Offer Period, then the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.

4. BACKGROUND OF THE ACQUIRER

- 4.1 The Acquirer was incorporated as Greenlam Industries Limited on August 12, 2013 and has its registered office at 203, 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport, Hospitality District, New Delhi - 110 037, India. The corporate identity number of the Acquirer is L21016DL2013PLC386045. The registered office and the corporate identity number of the Acquirer has been recently changed pursuant to receipt of approval from the Registrar of Companies, New Delhi dated September 3, 2021.
- 4.2 The Acquirer is presently engaged in the business of manufacturing and marketing of surfacing products such as laminates, high-pressure laminates, compact laminates, restroom cubicles, locker solutions, cladding solutions, decorative veneers, engineered wooden flooring, engineered doors and frames and allied products.
- 4.3 The Acquirer does not belong to any group.
- 4.4 There is no person acting in concert with the Acquirer for the purpose of this Open Offer.

4.5 Saurabh Mittal is the promoter of the Acquirer.

4.6 The shareholding pattern of the Acquirer as on October 15, 2021 is as follows:

Sr. No.	Shareholder's Category	Number of equity shares	Shareholding (%)
1.	Promoter and Promoter Group		
a.	Saurabh Mittal	23,29,171	9.65
b.	Shiv Prakash Mittal	5,06,000	2.10
c.	Parul Mittal	4,78,800	1.98
d.	Santosh Mittal	55,180	0.23
e.	Jai Mittal	0	0.00
f.	Jia Mittal	0	0.00
g.	Greenply Leasing & Finance Private Limited	96,39,511	39.94
h.	S. M. Safeinvest Private Limited	0	0.00
i.	HG Industries Limited (Formerly Himalaya Granites Limited)	0	0.00
j.	Prime Properties Private Limited	0	0.00
	Total (A)	1,30,08,662	53.90
2.	Public (B)		
a.	Institutions (Mutual Funds / Foreign Portfolio Investors, Alternate Investment Funds etc.)	39,62,157	16.41
b.	Non-Institutions	71,65,555	29.69
	Total (A+B)	2,41,36,374	100.00

4.7 The Acquirer is neither a promoter nor a part of the promoter group of the Target Company. The Target Company, though, is a part of the promoter group of the Acquirer.

4.8 The Sellers form part of the Promoter and Promoter Group of the Acquirer and the Target Company. Further, Saurabh Mittal along with certain other members of the promoter group of the Acquirer are also in control of the Target Company.

4.9 Save and except for Shiv Prakash Mittal, Saurabh Mittal and Parul Mittal, none of the directors or the key managerial personnel of the Acquirer hold any interest or relationship with or shares in the Target Company.

4.10 Name, designation, qualification, experience, and date of appointment of the board of directors of the Acquirer, as on date of this Letter of Offer, are as follows:

Sr. No	Name and Designation	DIN	Qualification and Experience	Date of Appointment to the Board
1.	Shiv Prakash Mittal, Non-Executive Chairman	00237242	Shiv Prakash Mittal holds a bachelor's degree in science from the University of Calcutta. He was a director of Greenply Industries Limited for more than 2 decades and was also associated with Kitply Industries Limited for 21 years. He has been a part of the board of directors of the Acquirer since its incorporation on August 12, 2013. He has experience in the fields of production and marketing in plywood, laminates, and allied products.	August 12, 2013
2.	Saurabh Mittal, Managing Director and Chief Executive Officer	00273917	Saurabh Mittal is an alumnus of Mayo College, Ajmer and holds a bachelor's degree in commerce from the University of Madras. He was a director of Greenply	August 12, 2013

Sr. No	Name and Designation	DIN	Qualification and Experience	Date of Appointment to the Board
			Industries Limited for more than 15 years and has been a part of the board of directors of the Acquirer since its incorporation on August 12, 2013. He has experience in the field of laminates and allied products.	
3.	Parul Mittal, Whole-Time Director	00348783	Parul Mittal holds a bachelor's degree in commerce (honours course) from the University of Delhi. She has previously worked with Greenply Industries Limited and joined Board of the Acquirer on November 11, 2014. She has experience in the field of laminates and allied products.	November 11, 2014
4.	Matangi Gowrishankar, Independent Director	01518137	Matangi Gowrishankar holds a bachelor's degree in Sociology from University of Madras and a post graduate qualification in Industrial Relations & Welfare from Xavier Labour Relation Institute, Jamshedpur. She has previously worked in various organisations including BP India Services Private Limited, BP Singapore Pte Limited, Standard Chartered Bank, International Computers (India) Limited and Reebok Technical Services Private Limited and she is also a director on the boards of some other companies in India.	August 28, 2020
5.	Sandip Das, Independent Director	00116303	Sandip Das is an alumnus of National Institute of Technology, Rourkela (<i>Formerly Regional Engineering College, Rourkela</i>) and holds a bachelor's degree in science (mechanical engineering) from Sambalpur University. He also holds a master's degree in business administration from University of Delhi. He has also completed the Advanced Management Programme (188 th Session) from Harvard Business School, Boston. He has experience in telecom industry and was previously the Managing Director of Reliance Jio Infocom Limited.	June 13, 2019
6.	Vijay Kumar Chopra, Independent Director	02103940	Vijay Kumar Chopra is a member of the Institute of Chartered Accountants of India. He has more than 35 years of banking experience at senior level positions at Corporation Bank, SIDBI, Oriental Bank of Commerce and Central	October 30, 2014

Sr. No	Name and Designation	DIN	Qualification and Experience	Date of Appointment to the Board
			Bank of India. He was also a Whole-Time Member of SEBI.	
7.	Yogesh Kapur, Independent Director	00070038	Yogesh Kapur holds a bachelor's degree in commerce (honours course) from the University of Delhi and is a fellow member of the Institute of Chartered Accountants of India. He has experience in the financial services sector and has previously worked with Enam Securities Private Limited, Axis Capital Limited, and Axis Bank Limited. He is currently also engaged with Axis Capital Limited as an independent consultant (Managing Director - Special Coverage).	August 12, 2021

- 4.11** None of the directors of the Acquirer are directors on the board of directors of the Target Company.
- 4.12** The equity shares of the Acquirer are listed on the BSE (Scrip Code: 538979) and the NSE (Scrip Symbol: GREENLAM). The ISIN of the equity shares of the Acquirer is INE544R01013.
- 4.13** The closing market price of equity shares of the Acquirer as on October 14, 2021, on the BSE and the NSE is set out below:

Stock Exchange	Closing market price (in ₹)
BSE	1,399.40
NSE	1,404.10

Source: www.bseindia.com and www.nseindia.com

- 4.14** Based on the quarterly compliance report filed by the Acquirer with the BSE and the NSE in terms of Regulation 27(2) of the SEBI Listing Regulations for the quarter ended June 30, 2021, the Acquirer is in compliance with corporate governance norms stipulated in the SEBI Listing Regulations for the said quarter with respect to (i) the composition of (a) the board of directors of the Acquirer; (b) audit committee; (c) nomination and remuneration committee; (d) stakeholders relationship committee and (e) risk management committee; and (ii) the meeting of the board of directors of the Acquirer and the foregoing committees. However, as on the date of the Draft Letter of Offer, save and except for the following, no punitive action has been taken by any stock exchange against the Acquirer:
- On November 17, 2020, the NSE issued a letter to the Acquirer levying a fine of ₹ 4,31,880/- for non-compliance with Regulation 21 of the SEBI Listing Regulations for quarters ended September 30, 2020, and June 30, 2020. On November 20, 2020, the Acquirer filed an application with the NSE for waiver of the said fine imposed for non-constitution of risk management committee in terms of Regulation 21 of the SEBI Listing Regulations. The Acquirer paid the said fine of ₹ 4,31,880/- on January 27, 2021, under protest. Subsequently, on February 15, 2021, the NSE issued a letter to the Acquirer levying a fine of ₹ 75,520/- for non-compliance with Regulation 21 of the SEBI Listing Regulations for quarter ended December 31, 2020. The Acquirer paid the said fine of ₹ 75,520/- on February 23, 2021, under protest. The NSE through its letter dated June 28, 2021, has acceded to the Acquirer's request for waiver of fine and has waived the entire fine for quarters ended December 31, 2020, September 30, 2020, and June 30, 2020.
 - The BSE through an email dated March 5, 2021 intimated the promoters of the Acquirer that the BSE has levied a fine of ₹ 75,520/- on the Acquirer for non-compliance with Regulation 21(2) of the Listing Regulations for quarter ended December 31, 2020. In addition, through the said email, the BSE intimated the promoters that it would issue instructions to the depositories to freeze the demat accounts of all the entities mentioned in the shareholding pattern of the Acquirer within 10 days from the date of the email, and the freeze on the promoter demat accounts will only be lifted after the Acquirer complies and pays the fine. The Acquirer paid the said fine under protest and, on May 21, 2021, the Acquirer has filed an application with the BSE for waiver of the said fine imposed for non-constitution of risk management committee in terms of

Regulation 21(2) of the SEBI Listing Regulations. The Acquirer is awaiting the response of the BSE on this application.

4.15 As on the date of the Draft Letter of Offer, based on the information available in the public domain, save and except for the following, the Acquirer has complied with the listing requirements set out in the SEBI Listing Regulations, and the erstwhile equity listing agreement, for the current financial year and for a period of 8 financial years preceding the current financial year:

- i. Delays of 4 minutes and 9 minutes in disclosure of 2 outcomes of the meeting of the board of directors of the Acquirer to the BSE and the NSE as required under Regulation 30 read with Schedule III, Part A, Paragraph A(4) of the SEBI Listing Regulations.
- ii. In addition, in terms of Regulation 30 of the SEBI Listing Regulations, there were following 2 delays in making disclosures to the BSE and the NSE:
 - a. Incorporation of a subsidiary on January 8, 2021 (Friday) for which a disclosure was made on January 11, 2021 (Monday); and
 - b. Resumption of manufacturing operations at a unit of the Acquirer with effect from April 25, 2021 (Saturday) which was disclosed on April 27, 2021 (Monday).
- iii. The Acquirer is unable to provide a copy of its financial results for the quarter ended June 30, 2015 as published in the newspapers as required in terms of Clause 41(VI) of the erstwhile equity listing agreement.

4.16 The details of the proceedings against some of the directors of the Acquirer are disclosed below:

i. Shiv Prakash Mittal

SEBI conducted an analysis of the stock options segment of the BSE for the period April 1, 2014 to September 30, 2015. SEBI observed that there were several entities including Shiv Prakash Mittal, who were consistently making significant profits, while other entities were consistently incurring significant losses, by executing reversal trades in stock options on the BSE. It was further observed by SEBI that the trading was carried out in the illiquid options in the F&O segment of BSE for generation of artificial volumes by executing non-genuine/reversal trades on the same day allegedly in violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. In view of the same, SEBI had approved adjudication proceedings against all 14,720 entities including Shiv Prakash Mittal.

In light of the adjudication proceedings, SEBI introduced a Settlement Scheme in terms of Regulation 26 of SEBI (Settlement Proceedings) Regulations, 2018 which provided an opportunity to these entities to settle the proceedings initiated against them (**Settlement Scheme**).

Accordingly, availing of the Settlement Scheme, Shiv Prakash Mittal filed a settlement application dated October 16, 2020 with SEBI and paid a settlement amount of INR 11,62,500/- to SEBI. Subsequently, SEBI through its Settlement Order dated January 14, 2021 settled the proceedings initiated against inter alia Shiv Prakash Mittal.

ii. Matangi Gowarishankar

SEBI issued the SCN under Rule 4(1) of the SEBI (Procedure for Holding inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the SEBI Act, 1992 to *inter alia* Matangi Gowarishankar, a director of the Acquirer, in the matter of CKSFL. The SCN *inter alia* alleges that (i) CKSFL had recorded its interest cost incorrectly in its financial statements for quarters ended December 31, 2018 and September 30, 2018 which was subsequently rectified in quarter ended March 31, 2019; and (ii) in the information memorandum dated March 13, 2019 issued by CKSFL and a newspaper advertisement dated March 29, 2019, CKSFL has overstated its profit before tax for the nine month period ended December 31, 2018. The SCN further alleges that the signatories to the information memorandum, including Matangi Gowarishankar, being one of the independent directors of CKSFL, failed to discharge their duties in ensuring that the published financial statements of CKSFL were in accordance with applicable and notified accounting standards and that the financial statements present a true and fair view of CKSFL's affairs and have, therefore, violated provisions of Section 12A(a), (b), (c) of the SEBI Act, 1992 read with Regulations 3(b), (c), (d) and

Regulation 4(1) and 4(2)(f) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

Through her letter dated July 26, 2021, Matangi Gowrishankar has filed her reply to the SCN with SEBI and *inter alia* submitted that (i) she was appointed as an independent director of CKSFL on August 24, 2018 and resigned from the directorship on June 12, 2019; (ii) during her tenure as an independent director of CKSFL she did not attend any board / committee meeting of CKSFL; (iii) during the period of investigation she did not receive any notice / agenda / minutes of any board meeting or any committee meeting that were to be held / held by the CKSFL, except for the notice for the audit committee meeting / board meeting to be held on May 29, 2019; (iv) she did not attend the board meeting dated May 29, 2019 held for adoption of audited financial statements for the period ended March 31, 2019 as she was travelling abroad; and (v) being an independent director of CKSFL and not having attended any of the board meeting or any other committee meeting of CKSFL, she cannot be held responsible for the day to day conduct and business affairs of CKSFL and could not have any insight into the methodology of accounting. Further, relying *inter alia* on judicial precedent she has submitted that the correct test to be applied in determining liability of an independent director is to examine whether through board processes such independent director can be said to have (i) participated in the wrong disclosure with knowledge of the alleged misstatement through the application of board processes, and whether the same has taken place with her consent or connivance; or (ii) been negligent and not diligent despite knowledge of the misstatement through board processes.

She has received no further communication in this matter from SEBI and the matter is currently pending before SEBI.

4.17 SEBI has neither issued any show cause notice nor taken any action against Shiv Prakash Mittal HUF for violation of any securities law.

4.18 Details of the compliance officer of the Acquirer are set out below:

Name: Prakash Kumar Biswal

Designation: Company Secretary & Vice-President-Legal

Email-id: prakash.biswal@greenlam.com

Telephone No.: +91 11 4279 1399

4.19 Brief financial information of the Acquirer based on its unaudited limited reviewed standalone financial statements for the quarter ended June 30, 2021 and its audited consolidated financial statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 is set out below:

(Amount in ₹ lakhs, except earnings per share)

Particulars	For the quarter ended June 30, 2021 (Note 1) (Unaudited)	For the financial year ended March 31, 2021 (Audited)	For the financial year ended March 31, 2020 (Audited)	For the financial year ended March 31, 2019 (Audited)
Profit & Loss Statement				
Revenue from Operations	33,613.24	119,959.05	132,058.50	128,070.96
Other Income	187.60	755.92	441.74	152.26
Total Income	33,800.84	120,714.98	132,500.24	128,223.22
Total Expenditure (Excluding Finance Cost, Depreciation and including exceptional item)	29,793.58	103,870.02	114,233.84	112,218.04
Profit Before Depreciation Interest and Tax	4,007.26	16,844.96	18,266.40	16,005.18
Depreciation	1,419.72	5,556.26	5,249.24	3,683.96
Interest	337.01	1692.36	2,183.67	1,696.14

Particulars	For the quarter ended June 30, 2021 (Note 1) (Unaudited)	For the financial year ended March 31, 2021 (Audited)	For the financial year ended March 31, 2020 (Audited)	For the financial year ended March 31, 2019 (Audited)
Profit Before Tax	2,250.53	9,596.34	10,833.49	10,625.07
Provision for Tax	516.55	2,227.89	2,166.18	2,913.84
Profit After Tax	1,733.98	7,368.45	8,667.31	7,711.23
Balance Sheet Statement				
Sources of funds				
Paid up share capital	1,206.82	1,206.82	1,206.82	1206.82
Reserves and Surplus (excluding capital reserves)	42,909.90	41,120.17	33,839.92	26,613.94
Net worth /Shareholder's fund (A)	44,116.72	42,326.99	35,046.74	27,820.76
Secured Loans	N.A.	24,840.91	27,222.99	23,320.87
Unsecured Loans	N.A.	0.00	2193.33	3650
Other Current Liabilities	N.A.	27,934.96	22,045.38	18,635.39
Other Non-current liabilities	N.A.	7,634.99	9,871.64	4,068.11
Non-Controlling Interest	N.A.	46.44	10.90	9.84
Total (B)	N.A.	60,457.30	61,344.24	49,684.19
Capital Reserve	N.A.	15,020.44	15,020.44	15,020.44
Total Sources of Funds (A+B)	N.A.	117,804.74	111,411.42	92,525.41
Use of Funds				
Property Plants and Equipment (Including Intangible Assets, CWIP, Intangible assets under development and Goodwill)	N.A.	43,127.64	44542.51	35204.20
Non-current investments	N.A.	1.25	1.25	1.25
Other non-current assets	N.A.	6503.98	2010.13	2801.62
Current assets	N.A.	68,171.87	64,857.52	54,518.33
Total Use of Funds	N.A.	117,804.74	111,411.42	92,525.41
Other Financial Data				
Dividend per Share (in ₹)	Nil	5.00	7.00	2.50
Dividend (%)	N.A.	100%	140%	50%
Earnings Per Share (in ₹) (Basic)	7.22*	30.56	35.91	31.95
Earnings Per Share (in ₹) (Diluted)	7.22*	30.56	35.91	31.95
Return on Net Worth (%) – Note 2	3.93	17.41	24.73	27.72
Book value per share – Note 3	182.78	175.37	145.20	115.26

Note 1 - The profit and loss statement are subject to limited review for quarter ended June 30, 2021. The Balance sheet item for the quarter ended June 30, 2021 were not subject to limited review hence not available.

Note 2 - (PAT/Shareholder fund ((excluding Capital Reserve))

Note 3 - Shareholder fund (excluding Capital Reserve) / No. of equity shares

*Not annualized for the quarter ended on June 30, 2021

Source: Certificate dated September 1, 2021 issued by Vijay Kumar, Chartered Accountant (Membership No. 092671), Partner, S S Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N)

4.20 As on June 30, 2021, the Acquirer has the following major contingent liabilities:

Sr. No.	Particulars	Amount (in ₹ lakhs)
1.	Excise duty, sales tax and other indirect taxes in dispute	37.68
2.	Consumer court cases in dispute	8.64
3.	Other Cases	29.13

Source: Certificate dated September 1, 2021 issued by Vijay Kumar, Chartered Accountant (Membership No. 092671), Partner, S S Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N), which is based on management certification.

- 4.21 The Acquirer is not 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.
- 4.22 The Acquirer, its directors, or its key managerial personnel have not been categorized or declared as a ‘wilful defaulter’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- 4.23 The Acquirer, its directors, or its key managerial personnel have not been categorized or declared as a fugitive economic offender in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1 The Target Company was incorporated as Himalaya Granites Private Limited on December 11, 1987, under the provisions of Companies Act, 1956 as a private limited company with the Registrar of Companies, Tamil Nadu at Chennai. Subsequently, the Target Company was converted into a public limited company pursuant to a shareholders’ resolution dated February 28, 1994 and a fresh certificate of incorporation was issued to the Target Company by the Registrar of Companies, Tamil Nadu at Chennai on March 21, 1994. Pursuant to said conversion, the name of the Target Company was changed from Himalaya Granites Private Limited to Himalaya Granites Limited. Thereafter, the name of the Target Company was changed to HG Industries Limited pursuant to a shareholders’ resolution dated June 10, 2021 and a fresh certificate of incorporation was issued to the Target Company by the Registrar of Companies, Tamil Nadu at Chennai on July 2, 2021.
- 5.2 The corporate identification number of the Target Company is L20100TN1987PLC015161.
- 5.3 The registered office of the Target Company is situated at Panchalam Village, Melpettai Post, Tindivanam, Tamil Nadu - 604307, India.
- 5.4 The Equity Shares of the Target Company are listed on the BSE Limited (Scrip Code: 513723). The ISIN of Equity Shares of the Target Company is INE464C01024.
- 5.5 All the Equity Shares issued by the Target Company are listed on the BSE. Based on the information available on the website of BSE, the Equity Shares of the Target Company are not frequently traded in terms of the SEBI (SAST) Regulations.
- 5.6 As on the date of this Letter of Offer, the authorised share capital of Target Company is ₹ 4,00,00,000/- divided into 80,00,000 Equity Shares of ₹ 5/- each. The issued, subscribed, and paid-up share capital of Target Company is ₹ 2,31,67,840/- divided into 46,33,568 Equity Shares of ₹ 5/- each.
- 5.7 The equity share capital of the Target Company is set out below:

Paid up Equity Shares	No. of Equity Shares / voting rights	Percentage (%) of Equity Shares / voting rights
Fully paid up Equity Shares	46,33,568	100.00
Partly paid up Equity Shares	Nil	0.00
Total paid up Equity Shares	46,33,568	100.00
Total voting rights in Target Company	46,33,568	100.00

- 5.8 As on the date of this Letter of Offer, the Target Company does not have any partly paid-up Equity Shares or outstanding convertible securities, depository receipts, warrants or other instruments convertible into Equity Shares. None of the Equity Shares are subject to any lock in obligations.

- 5.9 The Target Company has the following directors on its board of directors:

Sr. No.	Name	Designation	DIN	Date of Appointment
1.	Ramesh Kumar Haritwal	Managing Director & Chief Executive Officer	01486666	May 31, 2007*
2.	Shalabh Jalan	Independent Director	01089278	August 30, 2019
3.	Manojit Dash	Independent Director	08960450	November 14, 2020**
4.	Mathangi Ramanujan	Non-Executive Director	07095686	February 13, 2015

* Ramesh Kumar Haritwal was re-appointed as the Managing Director & Chief Executive Officer of the Target Company with effect from June 1, 2021.

**Manojit Dash has been appointed as an Independent Director with effect from November 14, 2020.

- 5.10** As on the date of this Letter of Offer, there is no director representing the Acquirer on the board of directors of the Target Company.
- 5.11** There has been no merger / de-merger / spin-off involving the Target Company in the last 3 years, preceding the date of this Letter of Offer.
- 5.12** As on the date of the Draft Letter of Offer, based on the information available in the public domain, save and except for the following, the Target Company has complied with the listing requirements set out in the SEBI Listing Regulations, and the erstwhile equity listing agreement, for the current financial year and for a period of 8 financial years preceding the current financial year:
- i. Delays of 5 minutes and 15 minutes in disclosure of 2 outcomes of the meeting of the board of directors of the Target Company to BSE as required under Regulation 30 read with Schedule III, Part A, Paragraph A(4) of the SEBI Listing Regulations. The Target Company has informed us that these delays were due to technical glitch on the BSE portal.
- 5.13** As on the date of the Draft Letter of Offer, no punitive action has been taken by any stock exchange against the Target Company.
- 5.14** Brief financial information of the Target Company based on its unaudited limited reviewed standalone financial statements for the quarter ended June 30, 2021 and its audited standalone financial statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 is set out below:

(Amount in ₹ lakhs, except earnings per share)

Particulars	For the quarter ended June 30, 2021 (Unaudited and subjected to limited review)	For the financial year ended March 31, 2021 (Audited)	For the financial year ended March 31, 2020 (Audited)	For the financial year ended March 31, 2019 (Audited)
Profit & Loss Statement				
Revenue from Operations	15.30	59.16	58.11	55.13
Other Income	18.58	5.20	2.55	21.92
Total Income	33.88	64.36	60.66	77.05
Total Expenditure	14.50	54.39	440.28	64.30
Profit Before Depreciation Interest and Tax	19.38	9.97	(379.62)	12.75
Depreciation	2.66	10.84	11.97	12.69
Interest	0	0	0	0
Profit Before Tax	16.72	(0.87)	(391.59)	0.06

Particulars	For the quarter ended June 30, 2021 (Unaudited and subjected to limited review)	For the financial year ended March 31, 2021 (Audited)	For the financial year ended March 31, 2020 (Audited)	For the financial year ended March 31, 2019 (Audited)
Provision for Tax	0	0	0	0
Profit After Tax	16.72	(0.87)	(391.59)	0.06
Balance Sheet Statement				
Sources of funds				
Paid up share capital	231.68	231.68	231.68	231.68
Reserves and Surplus (excluding revaluation reserves)	(42.12)	(58.84)	(58.45)	333.04
Net worth /Shareholders' fund (A)	189.55	172.84	173.23	564.72
Secured Loans	0	0	0	0
Unsecured Loans	0	0	0	0
Other Current Liabilities	3.88	6.38	6.45	5.75
Other Non-current liabilities	11.13	10.82	9.66	8.13
Total (B)	15.01	17.20	16.11	13.88
Total Sources of Funds (A+B)	204.56	190.04	189.34	578.60
Use of Funds				
Fixed assets	115.32	117.98	128.82	140.79
Non-current investments	0	0	0	0
Other non-current assets	6.97	6.98	6.98	8.78
Current assets	82.27	65.08	53.54	429.03
Total Use of Funds	204.56	190.04	189.34	578.60
Other Financial Data				
Dividend per Share (in ₹)	Nil	Nil	Nil	Nil
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (in ₹) (Basic)	0.36*	(0.02)	(12.20)	0.003
Earnings Per Share (in ₹) (Diluted)	0.36*	(0.02)	(12.20)	0.003
Return on Net Worth** (in %)	8.82	(0.50)	(226.05)	0.01
Book value per share*** (in ₹)	4.09	3.73	3.74	12.19

* Not Annualised

**Return on Net worth – Net Profit After Tax / Net Worth.

*** Book value per share – Shareholders' Fund / No. of Shares.

Source: Certificate dated September 1, 2021 issued by S.P. Shaw, Chartered Accountant (Membership No. 51927), Partner, S.P. Shaw & Co., Chartered Accountants (Firm Registration No. 314229E).

5.15 As informed to us by the Target Company, the reasons for increase in the profit after tax, earnings per share and net worth / shareholder' funds for the quarter ended June 30, 2021 and financial year ended March 31, 2021 as compared to the financial year ended March 31, 2020 are detailed below: (i) The Target Company had advanced a loan to a borrower, for which the Target Company was earning interest. During the financial year ended March 31, 2019, the Target Company earned an annual interest of ₹ 20.43 lakhs on the said loan; (ii) With respect to the financial year ended March 31, 2020, the Target Company was requested by the borrower to waive the entire amount of accrued interest along with future interest on a loan advanced by the Target Company to the borrower. The borrower could not commit any timeline for repayment of the principal amount of loan citing reason of financial distress. Consequently, the Target Company created a provision for loan and interest for an amount aggregating ₹ 380.31 lakhs. The Target Company also did not earn any interest on the said loan during the financial year ended March 31, 2020. The creation of the provision for loan and interest and the non-recovery of the interest amount during the financial year ended March 31, 2020, resulted in adversely impacting the profit after tax and consequently the earnings per share (basic and diluted) and net worth / shareholder' fund of the Target Company for the financial year ended March 31, 2020; (iii) During the financial year ended March 31, 2021, the Target Company did not incur any extraordinary expenditure or created any provisions, unlike the provision for loan and interest created during financial year ended March 31, 2020. In addition, the Target Company sold assets held for sale (under current assets) and earned profit of ₹ 3.08 lakhs, coupled with reduction in salaries of the employees of the Target Company for one quarter on account of Covid-19 pandemic. This significantly improved the profit after tax and earnings per share of the Target Company for the financial year ended March 31, 2021. However, the Target Company incurred marginal loss during the financial year ended March 31, 2021, and accordingly the net worth / shareholder' fund of the Target Company decreased marginally as compared to the net worth / shareholder' fund for the financial year ended March 31, 2020; and (iv) During the quarter ended June 30, 2021, the Target Company recovered a part of the principal amount of loan aggregating ₹ 18 lakhs which was advanced to the borrower. This recovery was a non-routine income for the Target Company and this amount was added to the 'Other Income' head of the statement of profit and loss of the Target Company for the quarter ended June 30, 2021. This significantly increased the profit after tax of the Target Company for the quarter ended June 30, 2021, and consequently, the earnings per share and net worth / shareholder' fund of the Target Company for the said period.

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5.16

Pre-Offer and post-Offer shareholding pattern of the Target Company is set out below:

Shareholders' Category	Equity Shares/voting rights prior to the SPA and this Offer [^]		Equity Shares/voting rights to be acquired under the SPA which triggered the SEBI (SAST) Regulations, 2011		Equity Shares/voting rights to be acquired in this Offer (Assuming full acceptance of this Offer)		Shareholding/ voting rights after the acquisition under the SPA and this Offer (Assuming full acceptance of this Offer)	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	Number of Equity Shares	% of Equity Share Capital*	Number of Equity Shares	% of Equity Share Capital*	Number of Equity Shares	% of Voting Share Capital	Number of Equity Shares	% of Voting Share Capital
1. Promoter and Promoter group								
a. Parties to agreement, if any	34,70,966	74.91	(34,70,966)	(74.91)	Nil	Nil	Nil	Nil
b. Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 (a+b)	34,70,966	74.91	(34,70,966)	(74.91)	Nil	Nil	Nil	Nil
2. Acquirer**								
a. Acquirer**	Nil	Nil	34,70,966	74.91	11,62,602	25.09	46,33,568	100.00
Total 2	Nil	Nil	34,70,966	74.91	11,62,602	25.09	46,33,568	100.00
3. Parties to the agreement other than 1(a) & 2	-	-	-	-	-	-	-	-
4. Public (other than parties to agreement, Acquirer)***								
a. Institutions (Mutual Funds / Foreign Portfolio Investors, Alternate Investment Funds etc.	Nil	Nil	Nil	Nil	(11,62,602)	(25.09)	Nil	Nil
b. Non-Institutions	11,62,602	25.09	Nil	Nil				
Total 4 (a+b)	11,62,602	25.09	Nil	Nil	Nil	Nil	46,33,568	100.00
GRAND TOTAL (1 + 2 + 3+4)	46,33,568	100.00	Nil	Nil	Nil	Nil	46,33,568	100.00

* As a percentage of Voting Share Capital.

** There is no person acting in concert with the Acquirer within the meaning of 2(1)(q) of the SEBI (SAST) Regulation. The Acquirer has entered into the SPA with the Sellers to acquire 34,70,966 Equity Shares representing 74.91% of the Voting Share Capital.

*** The total number of public shareholders of the Target Company as on October 15, 2021 is 1274.

[^] Shareholding details as on August 27, 2021 i.e. one day before the date the SPA and the PA.

After the acquisition of the Equity Shares tendered in the Open Offer, if the public shareholding in the Target Company falls below the minimum level required for continuous listing under Regulation 38 of the SEBI Listing Regulations and Rule 19A of the Securities Contracts (Regulation) Rules, 1957, then the Acquirer shall bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the Securities Contracts (Regulation) Rules, 1957, SEBI (SAST) Regulations and other applicable law.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

- 6.1.1** The Open Offer is a mandatory offer pursuant to Regulations 3(1) and 4 and other applicable regulations of the SEBI (SAST) Regulations pursuant to the execution of the SPA and is subject to the terms and conditions set out in the DPS and this Letter of Offer which is proposed to be sent to all the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations. The Offer is made for the acquisition of up to 11,62,602 Equity Shares, representing 25.09% of the Voting Share Capital pursuant to the execution of the SPA accompanied with a change in control of the Target Company.
- 6.1.2** The Equity Shares of the Target Company are listed on the BSE (Scrip Code: 513723). The ISIN of Equity Shares of the Target Company is INE464C01024.
- 6.1.3** The total number of Equity Shares of the Target Company traded on BSE for a period of 12 (twelve) calendar months preceding the calendar month in which the PA is made (i.e., from August 1, 2020 to July 31, 2021, both days included) is set out below:

Number of Equity Shares traded during the 12 months prior to the month in which PA is made (A)	Total number of Equity Shares listed during this period (B)	Total trading turnover (as % of total Equity Shares listed during this period) (A/B)
1,14,629	46,33,568	2.47

Source: *www.bseindia.com*, and certificate dated August 28, 2021 issued by Vidhi Chandak, Chartered Accountant (Membership No. 057114), Partner, Chandak and Associates, Chartered Accountants (Firm Registration No. 0321039E).

- 6.1.4** Based on the above, the Equity Shares of the Target Company are not frequently traded on the BSE as per the SEBI (SAST) Regulations.
- 6.1.5** The Offer Price of ₹ 41/- per Equity Share is higher than the minimum offer price of ₹ 40.11/- which has been determined and justified taking into account the parameters stipulated under Regulations 8(1) and 8(2) of SEBI (SAST) Regulations as set out below:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
1.	Highest negotiated price per Equity Share for acquisition under the SPA	40.11/-
2.	The volume weighted average price paid or payable for acquisitions by the Acquirer or any person acting in concert with the Acquirer during the 52 weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for any acquisitions whether by the Acquirer or by any person acting in concert with the Acquirer, during the 26 weeks immediately preceding the date of the PA	Not Applicable
4.	The volume-weighted average market price of Equity Shares for a period of 60 trading days immediately preceding the date of the PA, provided such shares are frequently traded	Not Applicable
5.	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of equity shares of such companies*.	40.11/-

*The valuation methodology taken into account consists of net asset value method and market-based value method. The Chartered Accountant has also considered the Supreme Court ruling in the matter of Hindustan Lever Employees Union v. Hindustan Lever Limited, 1995 (83 Com. Case 30).

Source: Certificate dated August 28, 2021 issued by Vidhi Chandak, Chartered Accountant (Membership No. 057114), Partner, Chandak and Associates, Chartered Accountants (Firm Registration No. 0321039E) (Telephone Number: +91 90510 52600).

- 6.1.6** There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations (*Source: Based on the filings available on the website of BSE at www.bseindia.*).
- 6.1.7** As on the date of this Letter of Offer, there is no revision in Offer Price or Offer Size. If there is any revision in the Offer Price or Offer Size on account of future purchases or competing offers, such revision will be done only up to the period prior to 1 Working Day before the commencement of the tendering period of this Offer in accordance with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amount in accordance with Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform the SEBI, the BSE, and the Target Company at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders whose Equity Shares are accepted under the Open Offer.
- 6.1.8** If the Acquirer acquires or agrees to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, in terms of the proviso to Regulation 8(8) of the SEBI (SAST) Regulations no such acquisition will be made by the Acquirer after the third working day prior to the commencement of the tendering period for the Open Offer and until the expiry of the tendering period for the Open Offer.
- 6.1.9** If the Acquirer acquires 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 in terms of Regulation 8(10) of the SEBI (SAST) Regulations, the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in the Offer within 60 days from the date of such acquisition. However, no such difference shall be paid if the acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021 or open market purchases made in the ordinary course on BSE, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 6.2 Financial Arrangements**
- 6.2.1** Assuming full acceptance of the Offer, the total funds required to meet this Offer is ₹ 4,76,66,682/- (“**Offer Consideration**”).
- 6.2.2** The Acquirer has confirmed that it has adequate and firm financial resources to fulfill the obligations under the Offer and has made firm financial arrangements for financing the acquisition of the Equity Shares tendered in the Offer and the implementation of the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- 6.2.3** Vidhi Chandak, Chartered Accountant (Membership No. 057114), partner of Chandak and Associates, Chartered Accountants (Firm Registration No. 0321039E) having office at 15B, Hemant Basu Sarani, Kolkata – 700 001 (Telephone Number: +91 90510 52600) vide certificate dated August 28, 2021, has certified that (i) the Acquirer has firm financial arrangements and adequate resources for fulfilling the payment obligations under this Offer; and (ii) the sources of funds to meet the payment obligations under this Offer are the Acquirer’s internal accruals.
- 6.2.4** In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has deposited ₹ 1,19,20,000/- being the cash equivalent of at least 25% of the Offer Consideration on August 31, 2021 in the bank account no. 57500000741215 designated as Greenlam Industries Limited - Open Offer Escrow A/C (“**Escrow Account**”) opened with HDFC Bank Limited at 209-214, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi - 110001 (“**Escrow Bank**”). The cash deposit has been confirmed by the Escrow Bank vide letter dated August 31, 2021.
- 6.2.5** The Acquirer confirms that the funds lying in the Escrow Account will be utilized exclusively for the purposes of this Offer. Further, the Acquirer has authorized and empowered the Manager to the Open Offer, to the exclusion of others, to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.6** In case of upward revision of the Offer Price and, or, the Offer Size, the Acquirer would deposit the additional appropriate amount into an Escrow Account in compliance with Regulations 17(2), 18(5), 22(2) and 24(1) of the SEBI (SAST) Regulations.
- 6.2.7** Based on the aforesaid financial arrangements and the confirmations received from Chandak and Associates,

Chartered Accountants, the Manager to the Open Offer confirms that the funds through verifiable means are available with the Acquirer and that it is satisfied about the ability of the Acquirer to fulfil its obligation in respect of this Offer in accordance with SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

7.1.1 In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Wednesday, October 27, 2021 and close on Thursday, November 11, 2021 (both days inclusive). For more details of schedule of activities please see *Schedule of Major Activities Relating to this Offer* on page no. 3 of this Letter of Offer.

7.1.2 The Public Shareholders of the Target Company who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all lien, charge and encumbrance and such Equity Shares will be acquired by the Acquirer in accordance with the terms and conditions set out in the DPS and the terms and conditions set out in this Letter of Offer, the relevant provisions of the SEBI (SAST) Regulations and applicable law. The Acquirer shall acquire the Equity Shares of the Public Shareholders of the Target Company who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereof.

7.1.3 The Public Shareholder shall have obtained all necessary consents required for it to tender and sell the Equity Shares in the Offer.

7.1.4 The Identified Date for this Offer as per the tentative schedule of activity is October 11, 2021.

7.1.5 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) Equity Share.

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

7.1.7 As on the date of this Letter of Offer, there is no revision in Offer Price or Offer Size.

7.1.8 In terms of Regulation 20(8) of the SEBI (SAST) Regulations, if there is a competing offer, the schedule of activities and the Tendering Period for all competing offers, shall be carried out with identical timelines and the last date for tendering shares in acceptance of every competing offer shall stand revised to the last date for tendering shares in acceptance of the competing offer last made.

7.1.9 In terms of Regulation 20(9) of the SEBI (SAST) Regulations, upon the public announcement of a competing offer, an acquirer who had made a preceding competing offer shall be entitled to revise the terms of its Offer provided the revised terms are more favourable to the Public Shareholder of the Target Company. However, the acquirer making the competing offers shall be entitled to make upward revisions of the offer price at any time up to 1 Working Day prior to the commencement of the Tendering Period.

7.1.10 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholder who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, the DPS and this Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for this Offer.

7.1.11 Accidental omission to send this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way.

7.2 Locked in Equity Shares

7.2.1 As on date of this Letter of Offer, none of the Target Company's Equity Shares are locked-in. The locked-in Equity Shares, if any acquired, pursuant to the SPA or Offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer.

7.2.2 The Manager to the Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

7.3 Eligibility for accepting the Offer

7.3.1 All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form are eligible to participate in this Offer during the tendering period of the Offer, subject to submission of approvals and exemptions set out at paragraph 7.4 of this Letter of Offer.

7.3.2 This Letter of Offer is sent to the shareholders of the Target Company whose names appear in Register of Members

of the Target Company as on the Identified Date. It is clarified that all Public Shareholders (even if they acquire Equity Shares and become shareholders after the Identified Date) are eligible to participate in the Open Offer during the tendering period for the Open Offer, subject to the terms and conditions set out in this Letter of Offer.

- 7.3.3** The PA, the DPS, the Draft Letter of Offer, this Letter of Offer along with the Form of Acceptance will also be available on the website of SEBI (www.sebi.gov.in). In case of non-receipt of this Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download this Letter of Offer along with the Form of Acceptance that will be annexed therein, from SEBI's website for applying in this Offer.
- 7.3.4** The Public Shareholders may also download this Letter of Offer from the website of SEBI (www.sebi.gov.in). The Public Shareholders may also obtain a copy of this Letter of Offer from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company and their folio number, DP identity-client identity, current address and contact details.
- 7.3.5** The acceptance of this Offer is entirely at the discretion of the Public Shareholder. The Acquirer, the Manager to the Offer and the Registrar to the Offer shall not be responsible for any loss of share certificate(s), share transfer deeds and the Offer acceptance documents including Form of Acceptance during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 7.3.6** The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation / Registrar to the Offer until such time the process of acceptance of tender of Equity Shares under the Open Offer and the payment of consideration is completed.
- 7.3.7** The acceptance of this Offer must be unconditional, absolute, and unqualified and should be sent with the Form of Acceptance which will be attached to this Letter of Offer, duly filled in, signed by the applicant Public Shareholder(s). In the event any change or modification is made to the Form of Acceptance or if any condition is inserted therein by the Public Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Public Shareholder.
- 7.3.8** The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.3.9** The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Offer. The Public Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for this Letter of Offer along with Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of closing of Tendering Period.
- 7.3.10** The Acquirer shall complete all procedure relating to payment of consideration under this Offer within 10 (ten) Working Days from the Offer Closing Date, or such other extended period in terms of the SEBI (SAST) Regulations, to those Public Shareholders whose share certificates and, or, other documents are found valid and in order and are accepted for acquisition. For further details please see paragraphs 7.4.3 and 7.4.4 of this Letter of Offer.
- 7.3.11** Any Equity Shares that are subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders, or restrictions, may be rejected.
- 7.3.12** The Acquirer reserves the right to revise the Offer Price and, or, the Offer Size. If there is any revision in the Offer Price or Offer Size on account of future purchases or competing offers, such revision will be done only up to the period prior to 1 Working Day before the commencement of the tendering period of this Offer in accordance with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amount in accordance with Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform the SEBI, the BSE, and the Target Company at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders whose Equity Shares are accepted under the Open Offer.

7.4 Statutory and other approvals

- 7.4.1** As of the date of this Letter of Offer, to the best of knowledge of the Acquirer, no statutory approvals are required by the Acquirer to acquire Equity Shares of the Target Company that are validly tendered pursuant to the Offer or

to complete the Offer or to acquire Equity Shares from the Sellers in terms of the SPA. However, in case of any other statutory approvals being required by the Acquirer at a later date before the closure of the tendering period, then the Open Offer and acquisition of Equity Shares from the Sellers in terms of the SPA shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals.

- 7.4.2** NR Shareholders, if any, must obtain all requisite approvals or exemptions required to tender Equity Shares held by them in this Offer and submit such approvals or exemptions, along with the other documents required to accept this Offer. If NR Shareholders required any approvals (including from the Reserve Bank of India or any other regulatory authority) for holding Equity Shares, they will be required to submit copies of such approvals and other documents to be provided as set out in paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*) of this Letter of Offer, to tender Equity Shares held by them pursuant to this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 7.4.3** In case of delay in receipt or non-receipt of any statutory approvals which may be required by the Acquirer at a later date, then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders for the delay. However, where the statutory approvals extend to some but not all holders of the Equity Shares of the Target Company, the Acquirer shall have the option to make payment to such holders of the Equity Shares of the Target Company in respect of whom no statutory approvals are required in order to complete this Open Offer.
- 7.4.4** In case of delay in making payment of consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer, the Acquirer will be liable to pay interest to such Public Shareholders at the rate of 10% per annum for the period of delay in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations. However, if SEBI is satisfied that the delay was not attributable to any act of omission or commission of the Acquirer or the delay was due to the reasons or circumstances beyond the control of the Acquirer, then SEBI may grant waiver from the payment of interest.
- 7.4.5** The Acquirer will have the right not to proceed with this Open Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, in the event the statutory approvals which may be required by the Acquirer at a later date are refused. In the event of withdrawal of this Open Offer, the Acquirer confirms that, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS was published, and such public announcement will also be sent to the SEBI, the BSE and the Target Company, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1** All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialised form or physical form, are eligible to participate in the Offer during the tendering period for the Offer, subject to submission of approvals and exemptions set out at paragraph 7.4 of this Letter of Offer.
- 8.2** The Open Offer will be implemented by the Acquirer through the stock exchange mechanism made available by the BSE in the form of separate window ("**Acquisition Window**") as provided under SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and SEBI circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and on such terms and conditions as may be permitted by law from time to time.
- 8.3** The Acquirer has appointed DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*) as the buying broker ("**Buying Broker**") for the Open Offer through whom the purchase and settlement of the Equity Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are set out below:



Name: DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)

Address: One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India

Phone no.: +91 22 4202 2500

Email id: rajesh@damcapital.in

Contact person: Rajesh Tekadiwala

- 8.4 BSE shall be the designated stock exchange (“**Designated Stock Exchange**”) for the purpose of tendering Equity Shares in the Open Offer.
- 8.5 A separate Acquisition Window will be provided by the BSE to facilitate the placing of orders. Before placing the bid, the concerned Public Shareholder or Selling Broker would be required to transfer the tendered Equity Shares to the special account of the Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.6 Public Shareholders who desire to tender their equity shares under the Open Offer would have to intimate their respective stock brokers (“**Selling Brokers**”) within the normal trading hours of the secondary market, during the tendering period.
- 8.7 The Public Shareholders can tender their Equity Shares only through Selling Broker(s) with whom such shareholder is registered as client (and has complied with the relevant KYC procedures and guidelines).
- 8.8 The cumulative quantity tendered shall be displayed on the website of BSE throughout the trading session at specific intervals during the tendering period based on Equity Shares transferred to the special account of the Clearing Corporation.
- 8.9 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 BSE / Clearing Corporation, before the Offer Opening Date.
- 8.10 Modification/cancellation of orders will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling Equity Shares shall be clubbed and considered as ‘one’ bid for the purpose of acceptance.
- 8.11 The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.
- 8.12 Public Shareholders who wish to bid or offer physical Equity Shares in the Offer must ensure that the bidding forms, together with the share certificate and transfer deed, should be received by the Registrar to the Offer on or before the Offer Closing Date and the verification of physical certificates shall be completed on the day on which they are received by the Registrar to the Offer.
- 8.13 This Letter of Offer will be dispatched through email or physical mode to all the Public Shareholders whose name appears in the Register of Members of the Target Company as at the close of business hours on the Identified Date. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptance-cum-Acknowledgement (“**Form of Acceptance**”) along with this Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in demat mode.
- 8.14 Persons who have acquired the Equity Shares but whose names do not appear in the Register of Members of the Target Company on the Identified Date or unregistered owners or those who have not received this Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, the DPS and this Letter of Offer. Alternatively, such holders of the Equity Shares may apply in the Form of Acceptance in relation to this Offer that will be annexed to this Letter of Offer, which may also be obtained from SEBI website (www.sebi.gov.in) or the Registrar to the Offer.
- 8.15 The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto including the rights to dividends, bonuses and rights offers declared by the Target Company after the acquisition by the Acquirer.
- 8.16 The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation / Registrar to the Offer until such time the process of acceptance of tender of Equity Shares under the Open Offer and the payment of consideration is completed.
- 8.17 Equity Shares and relevant documents should not be submitted or tendered to the Manager to the Offer, the Acquirer or the Target Company.
- 8.18 In the event Seller Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock

broker then that Public Shareholder may approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case the Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker viz. DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*), for guidance to place their Bids. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit the following details:

I. In case the Public Shareholder is an individual

If Public Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (“CKYC”) form including Foreign Account Tax Compliance Act (“FATCA”), In-person Verification (“IPV”), Original Seen and Verified (“OSV”) if applicable;
- Know Your Client (“KYC”) form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details, only if Equity Shares are in demat mode (demat master /latest demat statement)

If Public Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable;
- KRA form;
- KYC form documents required (all documents self-attested):
 - PAN card copy
 - Address proof
 - Bank details (cancelled cheque)
- Demat details, only if Equity Shares are in demat mode (demat master /latest demat statement).

It may be noted that other than submission of above forms and documents, in person verification may be required.

II. In case the Public Shareholder is an HUF

If Public Shareholder is registered with KRA: Forms required:

- CKYC form of Karta including FATCA, IPV, OSV if applicable;
- KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details, only if Equity Shares are in demat mode (demat master/latest demat statement).

If Public Shareholder is not registered with KRA: Forms required:

- CKYC form of Karta including FATCA, IPV, OSV if applicable;
- KRA form;
- KYC form Documents required (all documents self-attested):
 - PAN card copy of HUF and Karta
 - Address proof of HUF and Karta
 - HUF declaration
 - Bank details (cancelled cheque)

- Demat details, only if Equity Shares are in demat mode (Demat master /latest Demat statement).

It may be noted that other than submission of above forms and documents, in person verification may be required.

III. **In case of Public Shareholder other than an individual or an HUF**

If Public Shareholder is registered with KRA: Forms required:

- KYC form documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (demat master /latest demat statement)
- FATCA, IPV, OSV if applicable;
- Latest list of directors/ authorised signatories/ partners / trustees;
- Latest shareholding pattern;
- Board resolution;
- Details of ultimate beneficial owner along with PAN card and address proof;
- Last 2 years financial statements.

If Public Shareholder is not registered with KRA: Forms required:

- KRA form
- KYC form Documents required (all documents certified true copy):
 - PAN card copy of company / firm / trust
 - Address proof of company / firm / trust
 - Bank details (cancelled cheque).
- Demat details, only if Equity Shares are in demat mode (demat master /latest demat statement)
- FATCA, IPV, OSV if applicable;
- Latest list of directors/ authorised signatories/ partners / trustees;
- PAN Card copies & address proof of directors/ authorised signatories/ partners/ trustees;
- Latest shareholding pattern;
- Board resolution / partnership declaration;
- Details of ultimate beneficial owner along with PAN card and address proof;
- Last 2 years financial statements.
- Memorandum of Association / partnership deed / trust deed.

It may be noted that other than submission of above forms and documents, in person verification may be required.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.19 Procedure for tendering Equity Shares held in dematerialised form

- 8.19.1** Public Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer. Public Shareholders should tender their Equity Shares before market hours close on the

last day of the Tendering Period

- 8.19.2** The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Offer using the acquisition window of BSE. Before placing the order/bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 8.19.3** The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- 8.19.4** Upon placing the order, the Selling Broker shall provide transaction registration slip (“**TRS**”) generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order submitted like bid ID No., Depository Participant (“**DP**”) ID, Client ID, no. of Equity Shares tendered, etc.
- 8.19.5** On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/ cancellation of orders will not be allowed during the Tendering Period.
- 8.19.6** For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.19.7** The resident Public Shareholders (i.e. Public Shareholders residing in India) holding Equity Shares in demat mode, are not required to fill any Form of Acceptance. The Public Shareholders are advised to retain the acknowledged copy of the delivery instructions slip and the TRS till the completion of Offer Period. After the receipt of the Equity Shares in dematerialised form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.
- 8.19.8** All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs and OCBs) holding physical and, or, demat Equity Shares are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents (including the documents and information identified in paragraphs 7 (*Terms and Conditions of this Offer*) and 9 (*Compliance with Tax Requirements*) to the Registrar to the Offer at its address given on the cover page of this Letter of Offer. The envelope should be superscribed as "*HG Industries Limited - Open Offer*". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 8.19.9** In case any person has submitted Equity Shares in physical form for conversion to demat, such Public Shareholders should ensure that the process of conversion is completed well in time so that they can participate in the Offer before the Closure of the Tendering Period.
- 8.20 Procedure for tendering the Equity Shares held in physical form**
- 8.20.1** As per the proviso to Regulation 40(1) of the SEBI Listing Regulations read with the press release dated December 3, 2018 issued by SEBI, with effect from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below.
- 8.20.2** The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification as mentioned below:
- i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
 - ii. Original share certificate(s);

- iii. Valid share transfer deed(s) (Form SH-4) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Form SH-4 may also be obtained from the Registrar to the Offer;
- iv. Self-attested PAN card copy (in case of joint holders, PAN card copy of all transferors);
- v. Photocopy of Transaction Registration Slip;
- vi. Any other relevant document such as powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s));
- vii. Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license; and
- viii. Documents and information identified in paragraphs 7 (*Terms and Conditions of this Offer*) and 9 (*Compliance with Tax Requirements*).

8.20.3 Based on the documents, the Selling Broker(s) should place bids on BSE platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.

8.20.4 After placement of order, the Selling Broker(s)/ Public Shareholder must deliver the share certificates relating to its Equity Shares and other documents listed in paragraph 8.20.2 above along with the TRS to the Registrar to the Offer i.e. Link Intime India Private Limited at the address mentioned on the cover page. The envelope should be superscribed "*HG Industries Limited - Open Offer*". Share certificates for physical shares must reach the Registrar to the Offer on or before the Offer Closing Date. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

8.20.5 The Public Shareholder holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph 8.20.2 above is submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar to the Offer. On receipt of the confirmation from the Registrar to the Offer, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.

8.20.6 All documents in paragraph 8.20.2 above must be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) if any other company's equity share certificate(s) are enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) if the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) if the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) in case the signature on the Form of Acceptance and Form SH-4 does not match the specimen signature recorded with Target Company / registrar of the Target Company.

8.20.7 The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance along with this Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance.

8.21 Procedure for tendering the shares in case of non-receipt of Letter of Offer

8.21.1 Persons who have acquired Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company as on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received this Letter of Offer, may also participate in this Offer. Accidental omission to send this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way.

8.21.2 A Public Shareholder may participate in this Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance.

8.21.3 This Letter of Offer along with Form of Acceptance is being dispatched to all the Public Shareholders whose names appear on the Register of Members of the Target Company, and this Letter of Offer will be dispatched to all the beneficial owners of the Equity Shares in dematerialized form whose names appear on the beneficial records

of the respective Depositories, in either case, at the close of business hours on the Identified Date.

8.21.4 The Public Shareholders may also download this Letter of Offer from the website of SEBI (www.sebi.gov.in). The Public Shareholders may also obtain a copy of this Letter of Offer from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company and their folio number, DP identity-client identity, current address and contact details.

8.21.5 This Letter of Offer along with the Form of Acceptance is expected to be available on SEBI's website (www.sebi.gov.in) and Public Shareholders can also apply by downloading the Form of Acceptance in relation to this Offer that will be annexed to this Letter of Offer from the said website.

8.21.6 Alternatively, in case of non-receipt of this Letter of Offer, Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all Public Shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 8.18, 8.19 and, or, 8.20 above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the Closure of the Tendering Period.

8.22 Acceptance of Shares

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

8.22.2 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.23 Settlement Process

8.23.1 On Closure of the Tendering Period, reconciliation for acceptance shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

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

8.23.3 The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective Public Shareholder. If the bank account details of the Public Shareholder(s) are not available or if the funds transfer instruction is rejected by the RBI or the bank, due to any reason, then such funds will be transferred to the concerned Selling Broker's settlement bank account for onward transfer to their respective Public Shareholder.

8.23.4 The Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the Public Shareholders for tendering Equity Shares in the Offer and the Public Shareholders will be required to independently settle such costs, applicable taxes charges and expenses or other charges (if any). The Acquirer and the Manager to the Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) which are to be incurred solely by the Public Shareholders.

8.23.5 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Public Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.

8.23.6 The Public Shareholders will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC code, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or non-acceptance.

8.23.7 Unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to rejection will be returned to the Public Shareholders directly by the Registrar to the Offer.

8.23.8 Acquirer's Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open

Offer.

- 8.23.9 If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholder will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- 8.23.10 The Public Shareholders will have to ensure that they keep the depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or non-acceptance.
- 8.23.11 Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer.
- 8.23.12 It may be noted that the Public Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
- 8.23.13 Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, should be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 8.23.14 Any Equity Shares that are subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders or restrictions, may be rejected unless directions or orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the Closure of the Tendering Period.

8.24 Settlement of Funds / Payment Consideration

- 8.24.1 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.24.2 For Equity Shares accepted under the Offer, Clearing Corporation will make direct funds payout to respective Public Shareholder. If bank account details of the Public Shareholder are not available or if the funds transfer instruction are rejected by RBI/bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 8.24.3 The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Offer, the Public Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 8.24.4 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Public Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 8.24.5 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- 8.24.6 In case of partial or non-acceptance of orders, the balance Equity Shares in dematerialized form shall be returned directly to the demat accounts of the Public Shareholders by the Clearing Corporation. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/ restricted from being transferred pursuant to any pending court cases / attachment orders / restriction from other statutory authorities; are liable to be rejected unless directions/ orders of an appropriate court/ tribunal/ statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.

- 8.24.7 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

9. COMPLIANCE WITH TAX REQUIREMENT

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE FOLLOWING OVERVIEW IS NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF TENDERING LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.

THE LAW STATED BELOW IS AS PER THE INCOME TAX ACT, 1961 AS AMENDED UPTO FINANCE ACT, 2021 (“INCOME TAX ACT”).

General

- 9.1.1 The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31.
- 9.1.2 A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act.
- 9.1.3 A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred.
- 9.1.4 Accordingly, since the Target Company is incorporated in India, the Target Company’s shares are deemed to be “situated” in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the Income Tax Act.
- 9.1.5 Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”) as impacted by the Multilateral Instrument (if applicable) between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- 9.1.6 The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned etc.
- 9.1.7 All references to equity shares herein refer to listed equity shares unless stated otherwise.

Classification of Shareholders

- 9.1.8 Shareholders can be classified under the following categories:
- i. Resident Shareholders being:
 - a. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”).
 - b. Others
 - ii. Non-Resident Shareholders being:
 - a. NRIs

- b. Foreign Institutional Investors (“**FII**s”) / Foreign Portfolio Investors (“**FPI**s”); and
- c. Others:
 - o Company
 - o Other than company

Classification of Shares

9.1.9 The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Public Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“**CBDT**”). The nature of gains/loss in the foregoing cases will be as under:

- i. Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”
- ii. Shares held as stock-in-trade: Income arising from transfer taxable under the head "Profits and Gains from Business or Profession”

Taxability of Capital Gains in the hands of the Shareholders:

9.1.10 Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the Income Tax Act and the rate of income-tax would depend on the period of holding.

9.1.11 Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

- i. Short-term Capital Asset (“**STCA**”): Equity shares held for less than or equal to 12 months
- ii. Long-term Capital Asset (“**LTCA**”): Equity share held for more than 12 months

9.1.12 Accordingly, gains arising from transfer of a STCA are taxable as Short-term Capital Gains (“**STCG**”). Gains arising from transfer of a LTCA are taxable as Long-term Capital Gains (“**LTCG**”).

9.1.13 As per Section 112A of the Income Tax Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“**STT**”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds ₹ 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the Income Tax Act.

9.1.14 Such LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the Income Tax Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the Income Tax Act.

9.1.15 STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the Income Tax Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the Income Tax Act.

9.1.16 As per the seventh proviso to Section 48 of the Income Tax Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

9.1.17 Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the Income Tax Act or Alternate Minimum Tax contained in Section 115JC of the Income Tax Act, as the case may be, also need to be considered by the Public Shareholders. The provisions of Section 115JB of the Income Tax Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Sections 90 / 90A of the Income Tax Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

9.1.18 As per Section 70 of the Income Tax Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years’ STCG as well as LTCG, in terms of Section 74 of the Income Tax Act.

9.1.19 Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the Income Tax Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the Income Tax Act.

9.1.20 Additional information in case of FIIs:

- i. As per Section 2(14) of the Income Tax Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
- ii. The provisions of indirect transfer in terms of Explanation 5 to Section 9 of the Income Tax Act do not apply to non-resident investors in FIIs referred to in Section 115AD and Category-I and Category-II FPI registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
- iii. Under Section 115AD(1)(ii) of the Income Tax Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
- iv. Under Section 115AD(1)(iii) of the Income Tax Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding ₹ 1 lakh.
- v. Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.
- vi. The above rates are to be increased by applicable surcharge and cess.
- vii. Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- viii. The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified FPIs as FII for the purpose of Section 115AD of the Income Tax Act.

9.1.21 Additional Information in case of NRIs:

- i. Where the Equity Shares were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the Income Tax Act, which *inter alia* entitles them to the following benefits:
 - a. Under Section 115E of the Income Tax Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
 - b. Under Section 115F of the Income Tax Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
 - c. Under Section 115G of the Income Tax Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the Income Tax Act if his income chargeable under the Income Tax Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Income Tax Act.
 - d. As per provisions of Section 115-I of the Income Tax Act, an NRI may elect not to be governed

by provisions of Chapter XII-A and compute his total income as per other provisions of the Income Tax Act.

- ii. Section 90(2) of the Income Tax Act provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

9.1.22 Investment Funds - Under Section 10(23FBA) of the Income Tax Act any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

9.1.23 Mutual Fund - Under Section 10(23D) of the Income Tax Act, any income of mutual funds registered under SEBI Act, 1992 or regulations framed thereunder, or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

Taxability of Business Income in the hands of the Shareholders

9.1.24 Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the Income Tax Act.

9.1.25 In terms of Section 36(1)(xv) of the Income Tax Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

9.1.26 Section 90(2) of the Income Tax Act provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

Withholding Tax implications:

9.1.27 Remittance/Payment of Consideration

- i. Resident shareholders:
 - a. In the absence of any provisions under the Income Tax Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.
- ii. Non-resident shareholders – FIIs
 - a. Section 196D of Income Tax Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the Income Tax Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.
- iii. Non-resident shareholders (other than FIIs):
 - a. Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

- b. Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the Income Tax Act is required to deduct tax at source at applicable rates in force.
- c. However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- d. Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately.

9.1.28 Remittance/Payment of Interest

- i. In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirer will deduct TDS at the applicable rates in accordance with the provisions of the Income Tax Act, so long as a Permanent Account number (“PAN”) is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act. The provisions of Section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:
 - a. name, e-mail id, contact number;
 - b. address in the country or specified territory outside India of which the shareholder is a resident;
 - c. Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
 - d. Tax Identification Number/ Unique Identification Number of the shareholder.
- ii. The TDS on interest payment as mentioned above is subject to the following exemptions:

Resident shareholders:

 - a. There will be no TDS if interest payable does not exceed Rs 5,000/-
 - b. There will be no TDS on interest payable to the following parties:
 - c. any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
 - d. any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
 - e. any financial corporation established by or under a Central, State or Provincial Act;
 - f. the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
 - g. the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and
 - h. any company or co-operative society carrying on the business of insurance.
 - i. There will be no TDS in the case of a SEBI registered mutual fund as per Section 10(23D) of the Income Tax Act;
 - j. There will be no TDS for any entity which is exempted as such by any notification issued under Section 197A (1F) of the Income Tax Act;
 - k. Nil or lower rate of TDS (as applicable) will be applied if the shareholder furnishes a certificate from the Income tax authorities under Section 197 of the Income Tax Act.

Non-resident shareholders:

- a. Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted in accordance with paragraph 9.1.28(iii) of this Letter of Offer.
- iii. Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer, the Acquirer will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.

Documents to be provided along with the Form of Acceptance:

9.1.29 Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:

- i. Certificate under Section 197 of the Income Tax Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer;
- ii. Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per Income Tax Act;
- iii. Self-declaration in Form 15G / Form 15H (in duplicate), if applicable
- iv. SEBI registration certificate as a mutual fund;
- v. Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the Income Tax Act; and
- vi. SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the Income Tax Act.

9.1.30 Non-resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:

- i. Self-attested copy of PAN Card; or
 - a. name, e-mail id, contact number;
 - b. address in the country or specified territory outside India of which the shareholder is a resident;
 - c. Tax Residency Certificate;
 - d. Form 10F; and
 - e. Tax Identification Number/ Unique Identification Number of the shareholder.
- ii. Tax Residency Certificate;
- iii. Form 10F;
- iv. Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
- v. Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
- vi. Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per Income Tax Act; and
- vii. SEBI registration certificate for FII and FPI.

Rate of Surcharge and Cess

9.1.31 In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

Surcharge

- i. In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crore and @ 7% where the total income exceeds ₹ 1 crore but less than ₹ 10 crores.
- ii. In case of domestic companies liable to pay tax under Section 115BAA or Section 115BAB: Surcharge @ 10% is leviable.
- iii. In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crore and @ 2% where the total income exceeds ₹ 1 crore but less than ₹ 10 crores.
- iv. In case of individuals, HUF, AOP, BOI:
 - a. Surcharge at the rate of 10% is leviable where the total income exceeds ₹ 50 lakh but does not exceed ₹ 1 crore.
 - b. Surcharge at the rate of 15% is leviable where the total income exceeds ₹ 1 crore but does not exceed ₹ 2 crore.
 - c. Surcharge at the rate of 25% is leviable where the total income exceeds ₹ 2 crore but does not exceed ₹ 5 crore.
 - d. Surcharge at the rate of 37% is leviable where the total income exceeds ₹ 5 crore.
 - e. However, for the purpose of income chargeable under Sections 111A, 112A and 115AD (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- v. In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds ₹ 1 crore.

Cess

- i. Health and Education Cess @ 4% is currently leviable in all cases.

Others

- 9.1.32** Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- 9.1.33** The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- 9.1.34** The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the Income Tax Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- 9.1.35** The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE PUBLIC SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULAR NATURE OF INCOME-TAX CONSEQUENCES, PUBLIC SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016, IN EACH CASE AS AMENDED FROM TIME TO TIME.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE PUBLIC SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH PUBLIC SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

10. DOCUMENTS FOR INSPECTION

The following documents shall be available for inspection to the Public Shareholders at the office of the Manager to the Offer situated at One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India. The documents can be inspected during normal business hours (10:30 AM to 5:00 PM) on all Working Days during the Tendering Period:

- 10.1** Copy of the certificate of incorporation, and the memorandum of association and articles of association of the Acquirer and the Target Company;
- 10.2** Copy of certificate from Vidhi Chandak, Chartered Accountant (Membership No. 057114), partner of Chandak and Associates, Chartered Accountants (Firm Registration No. 0321039E) having office at 15B, Hemant Basu Sarani, Kolkata – 700 001 (Telephone Number: +91 90510 52600) vide certificate dated August 28, 2021 certifying that the Acquirer has firm financial arrangements and adequate resources for fulfilling the payment obligations under this Offer;
- 10.3** Copy of certificate from Vidhi Chandak, Chartered Accountant (Membership No. 057114), partner of Chandak and Associates, Chartered Accountants (Firm Registration No. 0321039E) dated August 28, 2021 certifying the Offer Price.
- 10.4** Copy of certificate from S.P. Shaw, Chartered Accountant (Membership No. 51927), Partner, S.P. Shaw & Co., Chartered Accountants (Firm Registration No. 314229E) dated September 1, 2021;
- 10.5** Copy of certificate from Vijay Kumar, Chartered Accountant (Membership No. 092671), Partner, S S Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N) dated September 1, 2021;
- 10.6** Copy of unaudited limited reviewed standalone financial statements for the quarter ended June 30, 2021 and the audited standalone financial statements of the Target Company for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019;
- 10.7** Copy of the annual reports of the Target Company for the financial year ended March 31, 2021, March 31, 2020, and March 31, 2019;

- 10.8 Copy of the unaudited limited reviewed consolidated financial statements for the quarter ended June 30, 2021 and the audited consolidated financial statements of the Acquirer for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019;
- 10.9 Copy of the annual reports of the Acquirer for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019;
- 10.10 Copy of Escrow Agreement between the Acquirer, Escrow Bank and the Manager to the Offer, dated August 30, 2021;
- 10.11 Copy of the letter dated August 31, 2021, from the Escrow Bank confirming the amount deposited in the Escrow Account;
- 10.12 Copy of the share purchase agreement dated August 28, 2021 executed by and between the Acquirer and the Sellers;
- 10.13 Copy of the Public Announcement dated August 28, 2021;
- 10.14 Published copy of the DPS dated September 2, 2021, published by the Manager to the Offer on behalf of the Acquirer in the Newspapers on September 3, 2021;
- 10.15 Copy of the recommendation to be made by the committee of independent directors of Target Company, in relation to this Offer; and
- 10.16 Copy of the observation letter dated October 7, 2021 from SEBI containing its comments on the Draft Letter of Offer.

11. DECLARATION BY THE ACQUIRER

- 11.1 The Acquirer and its directors, in their capacity as directors of the Acquirer, accept full responsibility for the information contained in this Letter of Offer and for fulfilment of its obligations under the Offer and ensuring compliance with the SEBI (SAST) Regulations in respect of the Offer.
- 11.2 In relation to the information pertaining to the Sellers and Target Company, the Acquirer has relied on the information provided and, or, confirmed by the Target Company, the Sellers, and publicly available sources. The Acquirer and the Manager to the Offer have not independently verified the accuracy of such information.
- 11.3 Unless expressly stated otherwise, the information contained in this Letter of Offer is as of the date of this Letter of Offer.
- 11.4 The person signing this Letter of Offer on behalf of the board of directors of the Acquirer has been duly and legally authorized by the Acquirer to sign this Letter of Offer.

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THIS LETTER OF OFFER HAS BEEN ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER

Signed for and on behalf of Greenlam Industries Limited

Sd/-

Saurabh Mittal
Managing Director & Chief Executive Officer

Place: Mumbai

Date: October 18, 2021

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE CUM ACKNOWLEDGMENT – HG INDUSTRIES LIMITED (FORMERLY HIMALAYA GRANITES LIMITED)

(Capitalised terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer.)

Public Shareholders holding Equity Shares in demat mode are not required to fill the Form of Acceptance cum Acknowledgment unless required by their respective Selling Broker

All non-resident Public Shareholders (holding physical and, or, demat Equity shares) and resident Public Shareholders holding physical Equity Shares are mandatorily required to fill this Form of Acceptance cum Acknowledgment (**Form**). Such Public Shareholders are required to send this Form with enclosures, directly or through their respective Selling Broker, to the Registrar to the Offer at the address given below.

From		
Name:		
Address:		
Tel. No.:	Fax No.:	E-mail:

TENDERING PERIOD FOR THIS OFFER

Opens on: October 27, 2021

Closes on: November 11, 2021

To,
The Acquirer
 C/o Link Intime India Private Limited
Unit: HG Industries Limited – Open Offer
 C-101, 247 Park, L.B.S Marg,
 Vikhroli (West), Mumbai 400 083,
 Maharashtra, India
 Email id: hgindustries.offer@linkintime.co.in
 Contact Person: Sumeet Deshpande

Sub: Open Offer for acquisition of upto 11,62,602 fully paid-up equity shares of face value of ₹ 5 each (“Equity Shares”) representing 25.09% of the Voting Share Capital of HG Industries Limited (Formerly Himalaya Granites Limited) (“Target Company”), from the Public Shareholders of the Target Company by Greenlam Industries Limited (“Acquirer”) (“Open Offer” or “Offer”).

Dear Sir,

I / We refer to the Letter of Offer dated October 18, 2021 for acquiring Equity Shares held by me / us in HG Industries Limited (Formerly Himalaya Granites Limited).

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

I / We acknowledge and confirm that all the particulars / statements given herein are true and correct.

Name (in BLOCK LETTERS)	Holder	Name of the shareholder(s)	Permanent Number (PAN)	Account
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) for physical shareholders / as per demat account)	Sole / First			
	Second			
	Third			
Contact Number(s) of the First Holder	Tel No. (with STD Code):		Mobile No.:	
	Fax No. (with STD Code):			

Full Address of the First Holder (with pin code)	
Email address of First Holder	
Date of incorporation (if applicable).	

For all Public Shareholders holding Equity Shares in physical form

I / We, confirm that our residential status under the Income Tax Act is (√ whichever is applicable):

- Resident
 Non-resident

I / We, holding the Equity Shares in physical form, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
1					
2					
3					
4					
Total					

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

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

- Original Equity Share certificates
- Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered Public Shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place
- Photocopy of Transaction Registration Slip (TRS)
- Self-attested copy of PAN card of all the transferor(s)
- Self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license
- Any other relevant document (but not limited to) such as power of attorney (if any person apart from the Public Shareholder has signed the Form), corporate authorisation (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased etc., as applicable.

Public Shareholders should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted.

For all Public Shareholders

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer, are free from liens, charges, equitable interests and encumbrances and will be transferred together with the rights attached thereto, including all rights to dividend, bonus and rights offer, declared by the Target Company after the acquisition by the Acquirer and that I / we have obtained any necessary consents to sell the Equity Shares on the foregoing basis.

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

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

I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form. I / We undertake to return to Acquirer any Offer consideration that may be wrongfully received by me/us.

I / We confirm that I / We are not persons acting in concert with the Acquirer.

I / We am / are not debarred from dealing in shares or securities.

In case of Public Shareholders holding Equity Shares in physical form, I/ we note and understand that the shares / original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer / Clearing Corporation in trust for me / us till the date Acquirer makes payment of consideration as mentioned in the Letter of Offer or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to me / us, as the case may be. (Strikeout if not applicable).

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

In case of Public Shareholders holding Equity Shares in physical form, I/ we further agree to receive a single share certificate for the unaccepted Equity Shares in physical form (Strikeout if not applicable).

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

In case of Public Shareholders holding Equity Shares in demat form, I / we note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of consideration as mentioned in the Letter of Offer. (Strikeout if not applicable)

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

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, I / we will indemnify Acquirer for such income tax demand (including interest, penalty, etc.) and provide Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We have enclosed all documents required under paragraph 9 (*Compliance with Tax Requirements*) of the Letter of Offer.

I / We confirm that I / we are in compliance with the terms of the Offer set out in the PA, the DPS and the Letter of Offer.

Status of shareholders:

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FPI–Corporate	<input type="checkbox"/> FPI–Others	<input type="checkbox"/> Indian Company
<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension / Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership / LLP
<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs / PIOs–repatriable	<input type="checkbox"/> NRIs / PIOs–non-repatriable	<input type="checkbox"/> OCB	<input type="checkbox"/> Indian Trust
<input type="checkbox"/> Banks	<input type="checkbox"/> FVCI	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Others – please specify:	

In case of non-resident Public Shareholders, I / we confirm that our investment status is (please provide supporting documents and $\sqrt{\quad}$ whichever is applicable):

- FDI route
- PIS route
- Any other – please specify

In case of non-resident Public Shareholders, I / We confirm that the Equity Shares tendered by me / us are held on (✓ whichever is applicable):

- Repatriable basis
- Non-repatriable basis

In case of non-resident Public Shareholders, I / We confirm that (✓ whichever is applicable):

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

In case of non-resident Public Shareholders, I / We confirm that (✓ whichever is applicable):

- No RBI or other regulatory approval is required by me for tendering the Equity Shares in this Offer
- Copies of all approvals required by me for tendering Equity Shares in this Offer are enclosed herewith

Additional confirmations and enclosures for all shareholders, as applicable

I / We, have enclosed the following documents:

- Self-attested copy of PAN card
- Self-declaration form in Form 15G / Form 15H, in duplicate copy
- Certificate from Income-tax Authorities for deduction of tax at lower or nil rate
- For Mutual funds / Banks / Notified Institutions under Section 194A (3)(iii) of the Income Tax Act, copy of relevant registration or notification
- 'Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.

In case of non-resident Public Shareholders holding Equity Shares in demat form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depository participant.

In case of interest payments, if any, by Acquirer for delay in payment of Offer Price or a part thereof, the Acquirer will deduct TDS at the applicable rates as per the Income Tax Act.

Yours faithfully,

Signed and Delivered	Full Name	PAN No.	Signature
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1st Public Shareholder			
2nd Public Shareholder			
3rd Public Shareholder			

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Place:

Date:

-----Tear Here-----

Acknowledgement Receipt – HG Industries Limited (Formerly Himalaya Granites Limited) – Open Offer

<p>Received from Mr./Ms./M/s. _____</p> <p>Form of Acceptance cum Acknowledgement for HG Industries Limited (Formerly Himalaya Granites Limited) - Offer as per details below: (Delete whichever is not applicable)</p> <p>Folio No. _____ No. of Equity Share certificates _____ for _____ Equity Shares</p> <p>Copy of delivery instruction to depository participant of Client ID_for _____ Equity Shares</p>
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INSTRUCTIONS:

NO EQUITY SHARES / FORMS SHOULD BE SENT TO THE ACQUIRER, THE MANAGER TO THE OFFER OR TO THE TARGET COMPANY.

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. The Form of Acceptance cum Acknowledgment should be filled up only in English.
3. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance cum Acknowledgment and in the Equity Share transfer deed(s), in the order in which they hold Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
4. Attestation, where required (as indicated in the Equity Share transfer deed) (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorised to use the seal of his office or a member of a recognised stock exchange under its seal of office and membership number or manager of the transferor's bank.
5. NR Shareholders, if any, must obtain all requisite approvals or exemptions required to tender Equity Shares held by them in this Offer and submit such approvals or exemptions, along with the other documents required to accept this Offer. If NR Shareholders required any approvals (including from the Reserve Bank of India or any other regulatory authority) for holding Equity Shares, they will be required to submit copies of such approvals and other documents to be provided as set out in paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*) of the Letter of Offer, to tender Equity Shares held by them pursuant to this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
6. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole / first named Public Shareholder(s) along with all the documents received from them at the time of submission.
7. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
8. All documents / remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER.

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:



Link Intime India Private Limited

Unit: HG Industries Limited - Open Offer

C-101, 247 Park, L.B.S Marg, Vikhroli (West),

Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200; **Fax:** +91 22 4918 6195

Email: hgindustries.offer@linkintime.co.in

Investor grievance e-mail: hgindustries.offer@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

Form No. SH-4 Securities Transfer Form

(Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the Companies (Share Capital and Debentures) Rules, 2014)

Date of Execution: _____

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

CIN:	L	2	0	1	0	0	T	N	1	9	8	7	P	L	C	0	1	5	1	6	1
------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the Company (in full): HG Industries Limited (*Formerly Himalaya Granites Limited*)

Name of the Stock Exchange where the company is listed, (if any): BSE Limited

Description of Securities:

Kind / Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	₹ 5/-	₹ 5/-	₹ 5/-

No. of securities being Transferred		Consideration received (₹)	
In figures	In words	In figures	In words

Distinctive Number	From		
	To		
Corresponding Certificate Nos.			

Transferor's particulars	
Registered Folio Number	
Names in full	Signature

1.	
2.	
3.	
I hereby confirm that the Transferor has signed before me. Name and Address of Witness	Witness Signature

Transferee's particulars		
Name in full (1)	Father's/ Mother's / Spouse's Name (2)	Address & E-mail id (3)
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Folio No. of Transferee		Specimen Signature of Transferee

Value of stamp affixed: _____

Enclosures:

1. Stamps
2. Certificate of shares or debentures or other securities

3. If no certificate is issued, letter of allotment.
4. Copy of PAN CARD of all the Transferees (For all listed companies).
5. Other, specify _____

For office use only Checked by _____ Signature tallied by _____ Entered in the Register of Transfer on _____ vide Transfer No. _____ Approval Date _____ Power of attorney / Probate / Death Certificate /Letter of administration Registered on _____ at No. _____

On the reverse page of the certificate

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

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