

INITIAL PUBLIC ANNOUNCEMENT UNDER REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2021, AS AMENDED, FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF

WELCAST STEELS LIMITED

Corporate Identification Number: L27104GJ1972PLC085827

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This initial public announcement (“**Initial Public Announcement**”) is being issued by Vivro Financial Services Private Limited, (“**Manager to the Offer**”) for and on behalf of AIA Engineering Limited (“**Acquirer**” or “**Promoter**”) to the Public Shareholders (*as defined below*) expressing the Acquirer’s intention to: (a) acquire all the Equity Shares (*as defined below*) that are held by Public Shareholders; and (b) consequently voluntarily delist the Equity Shares from the stock exchange where Equity Shares are presently listed i.e., BSE Limited (“**BSE**”), by making a delisting offer in accordance with the SEBI Delisting Regulations (*as defined below*) (“**Delisting Proposal**”).

For the purpose of this Initial Public Announcement, the following terms have the meanings assigned to them below:

- a) “**Target Company**” shall mean Welcast Steels Limited;
- b) “**Board**” shall mean the board of directors of the Target Company;
- c) “**Equity Shares**” shall mean fully paid-up equity shares of the Target Company, each having the face value of ₹ 10/- (Rupees Ten only);
- d) “**Public Shareholders**” shall mean the public shareholders of the Target Company as defined under Regulation 2(1)(t) of the SEBI Delisting Regulations;
- e) “**Promoter**” shall mean AIA Engineering Limited
- f) “**SEBI**” shall mean the Securities and Exchange Board of India;
- g) “**SEBI Delisting Regulations**” shall mean the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;
- h) “**SEBI (SAST) Regulations**” shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
- i) “**Stock Exchange**” shall mean the stock exchange where the Equity Shares are presently listed i.e., BSE Limited.

1. Details of the Delisting Proposal:

- 1.1. As on date, the Acquirer who is also a Promoter of the Target Company, holds 4,77,661 (Four Lakhs Seventy-Seven Thousand Six Hundred Sixty-One) Equity Shares representing 74.85% of the paid-up equity share capital of the Target Company.
- 1.2. The board of directors of the Acquirer, pursuant to its meeting held on December 13, 2023, approved the acquisition of Equity Shares.



- 1.3. The Acquirer intends to voluntarily delist the Equity Shares by acquiring Equity Shares from the Public Shareholders in accordance with the SEBI Delisting Regulations.
- 1.4. In view of the above, as required under Regulation 8 of the SEBI Delisting Regulations, this Initial Public Announcement is being made by the Manager to the Offer for and on behalf of the Acquirer to express the intention of the Acquirer to undertake the Delisting Proposal.

2. Rationale for Delisting Proposal:

- 2.1. In terms of Regulation 8(3)(a) of the SEBI Delisting Regulations, the rationale for the Delisting Proposal is as follows:
 - 2.1.1. The Target Company is a Subsidiary Company of the Acquirer ("AIA") and is having its manufacturing facility located at Bangalore in Karnataka which was set up several years ago. The Target Company is manufacturing one particular product i.e. Grinding Media primarily for AIA on an exclusive outsourcing basis. AIA has its own state of the art plants primarily in Gujarat and over last few years AIA has made significant investments for capacity augmentation in its own plants. This has resulted into a progressively lower production volumes being outsourced by AIA to the Target Company. Further, going forward, in the foreseeable future, there is no possibility of any material technology upgradation or modernisation project being undertaken in the Target Company's facility. The manufacturing operations of the Target Company has thus now diminished to significant levels and as such, it does not make any commercial sense or justification for continuing the listed status of the Target Company, more so given the fact that AIA, a holding company is also a listed company.
 - 2.1.2. The proposed Delisting Proposal would enable the Acquirer to obtain full ownership of the Target Company;
 - 2.1.3. The Delisting Proposal will provide the Public Shareholders an opportunity to realize immediately a certain value for their Equity Shares. The price will be determined in accordance with the reverse book building mechanism set out in the SEBI Delisting Regulations; and
 - 2.1.4. The Delisting Proposal will result in reduction of the ongoing compliance costs and reducing the management time to comply with stock exchange requirements and listing regulations.

3. Undertakings/Confirmations:

- 3.1. In terms of Regulation 8(3)(b) of the SEBI Delisting Regulations, the Acquirer hereby undertakes / confirms that the Acquirer:
 - 3.1.1. has not sold the Equity Shares during the period of 6 (six) months prior to the date of this Initial Public Announcement; and
 - 3.1.2. will not directly or indirectly, in connection with proposed delisting,
 - 3.1.2.1. employ any device, scheme or artifice to defraud any shareholder or other person; or
 - 3.1.2.2. engage in any transaction or practice that operates as a fraud or deceit upon any shareholder of the Target Company or other person; or
 - 3.1.2.3. engage in any act or practice that is fraudulent, deceptive or manipulative.



4. Price/Consideration:

- 4.1. The discovered price will be determined through the reverse book building process specified in Schedule II of the SEBI Delisting Regulations, after fixation of the 'floor price' which will be determined in terms of Regulation 20(2) and 20(3) of the SEBI Delisting Regulations read with Regulation 8 of the SEBI (SAST) Regulations. The floor price determined in accordance with the aforesaid provisions shall be informed separately in due course.
- 4.2. In terms of the SEBI Delisting Regulations, the 'discovered price' will be determined as the price at which Equity Shares are accepted through eligible bids, that takes the shareholding of the Acquirer to 90% of the total issued Equity Shares of the Target Company, excluding the shares which are held by following:
 - 4.2.1. custodian(s) holding shares against which depository receipts have been issued overseas;
 - 4.2.2. a trust set up for implementing an employee benefit scheme under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
 - 4.2.3. inactive shareholders such as vanishing companies, struck off companies, shares transferred to Investor Education and Protection Fund account and shares held in terms of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 4.3. The Acquirer shall have the sole discretion to accept or reject the discovered price or make a counter-offer in accordance with the SEBI Delisting Regulations.

5. Conditions:

- 5.1. The acquisition of Equity Shares by the Acquirer from the Public Shareholders will be conditional upon the following:
 - 5.1.1. the Board approving the Delisting Proposal in accordance with Regulation 10 of the SEBI Delisting Regulations.
 - 5.1.2. the approval of the shareholders of the Target Company by way of a special resolution in accordance with the Regulation 11 of the SEBI Delisting Regulations and other applicable laws wherein the number of votes cast by the Public Shareholders in favour of the Delisting Proposal is at least two times the number of votes cast by the Public Shareholders against it.
 - 5.1.3. receipt of the approval of Stock Exchange in accordance with the SEBI Delisting Regulations and/or any other statutory/regulatory approvals, as may be required, in relation to the Delisting Proposal;
 - 5.1.4. the acceptance by the Acquirer of the discovered price determined by the reverse book building process in accordance with the SEBI Delisting Regulations including other rights and obligations in terms of the SEBI Delisting Regulations or in case the discovered price is not acceptable to the Acquirer, a counter offer may be made by the Acquirer to the Public Shareholders within 2 (two) working days of the closure of bidding period.
 - 5.1.5. the number of Equity Shares being validly tendered in the delisting offer/ counter-offer, if any, is sufficient enough to result in the delisting offer being successful in accordance with the SEBI Delisting Regulations; and
 - 5.1.6. such other terms and conditions as may be set out in the 'detailed public announcement' or the 'letter of offer' to be made/dispatched to the Public Shareholders, or any addendum or corrigendum thereto, that are proposed to be issued in accordance with the SEBI Delisting Regulations.



6. Other Details:

- 6.1. The Acquirer hereby confirms that it has firm financial arrangements for fulfilling the payment obligations under the delisting offer and is able to implement the delisting offer, subject to any statutory approvals for the delisting offer that may be necessary.
- 6.2. The Acquirer accepts full responsibility for the information contained in this Initial Public Announcement and confirm that such information is true, fair and adequate in all material aspects. The Acquirer is aware of and will comply with the obligations under the SEBI Delisting Regulations.
- 6.3. All the information pertaining to the Target Company contained in this Initial Public Announcement has been obtained from publicly available sources, and the accuracy thereof has not been independently verified by the Manager.

Issued by Manager to the Offer

VIVRO

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SEBI Registration No.: INM000010122

CIN: U67120GJ1996PTC029182

Contact Person: Shivam Patel

For and on behalf of
AIA Engineering Limited (Acquirer)



S. N. Jetheliya
Company Secretary & Compliance Officer
M. No.: A5343



Place: Ahmedabad

Date: December 13, 2023