



SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

Regd. Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020 Tel.: +91 11 4733
4100; Fax: +91 11 2681 1676

Email: investorrelations@shardamotor.com; Website: www.shardamotor.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 108 & 110 of The Companies Act, 2013 read with Rule 20 & 22 of The Companies (Management & Administration) Rules, 2014)

Dear Members

NOTICE is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 ("**Companies Act**"), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**Rules**"), the Companies (Share Capital and Debentures) Rules, 2014 (to the extent applicable) ("**Share Capital Rules**"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("**SS-2**"), as amended from time to time, read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ("**MCA**") (hereinafter collectively referred to as "**MCA Circulars**"), that the approval from the Members of Sharda Motor Industries Limited ("**Company**") through Postal Ballot only by voting through electronic means ("**remote e-voting**"), for the buyback of up to 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven only) fully paid-up equity shares of the Company each having a face value of INR 2/- each (Indian Rupees two only) ("**Equity Shares**") on a proportionate basis through the "Tender Offer" route representing up to 3.46% of the total number of equity shares in the paid-up share capital of the of the Company as of March 31, 2023, being the latest audited financial information available as on the date of the board meeting held on April 18, 2024 recommending the proposal for the Buyback, and as of March 31, 2024, at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share ("**Buyback**").

In compliance with the MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The communication of assent or dissent of the Members would take place only through the remote e-voting system. If your e-mail address is not registered with the Company/ depositories, please follow the process provided in the notes to receive this Postal Ballot Notice.

An explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Companies Act, pertaining to the resolutions setting out the material facts and reasons thereof, is appended to this Postal Ballot Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company at its meeting held on April 18, 2024, has appointed CS Vineet K Chaudhary, Practising Company Secretary (FCS No. 5327) or failing him CS Mohit K. Dixit, Practising Company Secretary (FCS No. 12361) as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

The Company has engaged the services of Central Depository Services (India) Limited ("**CDSL**") for providing remote e-voting facility to all its members. The remote e-voting period commences from 9 a.m. IST on Thursday, April 25, 2024, and ends at 5 p.m. IST on Friday, May 24, 2024. The Scrutinizer will submit his report to the Chairperson/Co-chairperson of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be declared within the prescribed time.

The said results along with the Scrutinizer's Report would be intimated to BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively referred to as "**Stock Exchanges**"), where the Equity Shares of the Company are listed. The results will also be uploaded on the Company's website (www.shardamotor.com) and on the website of CDSL (www.evotingindia.com).



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APPROVAL FOR BUYBACK OF EQUITY SHARES OF THE COMPANY:

To consider and, if thought fit, to pass the following resolution as **SPECIAL RESOLUTION**:

“RESOLVED THAT in accordance with Article 82 of the Articles of Association of Sharda Motor Industries Limited (**“Company”**) and pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Companies Act”**), rules framed under the Companies Act, including the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Management and Administration) Rules, 2014, as amended, to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (**“Buyback Regulations”**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“Listing Regulations”**), and including any amendments, statutory modification(s) or re-enactment(s) for the time being in force, and subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies (**“ROC”**), BSE Limited (**“BSE”**), National Stock Exchange of India Limited (**“NSE”**) and/ or other authorities institutions or bodies (**“Appropriate Authorities”**), as may be necessary, the consent of the Members of the Company be and is hereby accorded for the buyback of up to 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven only) fully paid-up equity shares of the Company, each having a face value of INR 2/- (Indian Rupees two only) (**“Equity Shares”**), representing up to 3.46% of the total number of equity shares in the paid-up share capital of the Company as of March 31, 2023 and as of March 31, 2024, at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share (**“Buyback Price”**), subject to any increase to the Buyback Price as may be approved by the Board of Directors of the Company (**“Board”**, which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), payable in cash for an aggregate amount not exceeding INR 1,84,99,98,600/- (Indian Rupees One Hundred and Eighty Four Crore Ninety Nine Lakh Ninety Eight Thousand Six Hundred only) (excluding transaction costs viz. brokerage costs, fees, turnover charges, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc., expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/ legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.) (**“Buyback Size”**), being 23.66% and 24.41% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2023, respectively (which is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company, based on both standalone and consolidated financial statements of the Company, under the shareholders’ approval route as per the provisions of the Companies Act and Buyback Regulations), on a proportionate basis through the “tender offer” route as prescribed under the Buyback Regulations, from all of the equity shareholders/ beneficial owners of the Company, including the promoters and members of the promoter group of the Company (as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and to be referred as **“Promoters”**) who hold Equity Shares as of the record date to be declared at a later stage (**“Record Date”** and such buyback the **“Buyback”**).”

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back



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and Delisting” notified by the SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force (“**SEBI Circulars**”).

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from equity shareholders/ beneficial owners who hold Equity Shares as of the Record Date (“**Eligible Shareholders**”), on a proportionate basis under the tender offer, provided 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders at the Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein above as it may in its absolute discretion deem fit, to any committee of director(s)/ any one or more director(s)/ officer(s)/ authorised representative(s) of the Company (“**Buyback Committee**”) in order to give effect to this resolution, including but not limited to finalizing the terms of the Buyback such as Buyback Price, number of Equity Shares for Buyback, record date, entitlement ratio, the time frame for completion of Buyback, appointment of merchant bankers, registrars, brokers, lawyers, depository participants (“**DPs**”), escrow agent, advisors, consultants, intermediaries, other agencies, as may be required, for implementation of the Buyback; preparation, finalizing, signing and filing of the public announcement, letter of offer and such other necessary applications, undertakings, agreements, papers, documents and correspondence, if required under the common seal of the Company, to be filed in connection with the Buyback with SEBI, Reserve Bank of India, stock exchanges, Registrar of Companies, depositories and/or other regulatory and/or statutory authorities as may be required from time to time and obtain their approvals and to initiate all necessary actions including opening, operation and closure of necessary bank accounts (including escrow account), issuance of bank guarantee in favour of the merchant bankers, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company.

RESOLVED FURTHER THAT in terms of Regulation 5(via) of the Buyback Regulations, the Board of the Company / Buyback Committee be and is hereby authorized to *inter alia* increase the Buyback Price and decrease the number of Equity Shares proposed to be bought back, such that there is no change in the Buyback Size, till one working day prior to the Record Date.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any Member to offer or any obligation on the Company or the Board to buyback any Equity Shares or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and the Buyback Committee be and are hereby severally authorized to accept and make any alteration(s), modification(s) to the terms and conditions as they may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements or any conditions laid down by any regulatory or other authority while giving its approval as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all such acts, deeds, matters and things as the Board/ Buyback Committee may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the



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Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**By order of the Board of Directors
For Sharda Motor Industries Limited**

**Nitin Vishnoi
Executive Director & Company Secretary**

M. No F3632

DIN: 08538925

Place: New Delhi

Date: April 24, 2024



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Notes:

1. The explanatory statement pursuant to Sections 102 and 110 of the Companies Act read with Rule 22 of the Rules and the Buyback Regulations, setting out the material facts concerning the Resolution and the reasons thereof is annexed hereto and forms part of this Postal Ballot Notice.
2. In terms of the MCA Circulars, this Postal Ballot Notice along with the instructions regarding e-voting is being sent only by e-mail to all those members, whose email addresses are registered with the Company or the RTA or with the depository(ies) / depository participants and whose names appear in the register of members/ list of beneficial owners as on the cut-off date i.e., Friday, April 19, 2024. Voting rights are reckoned on the basis of the shares registered in the name of members / beneficial owners as on the cut-off date. All the members of the Company as on the cut-off date shall be entitled to vote in accordance with the process specified in this Postal Ballot Notice. Any person who is not a member on the cut-off date shall treat this Postal Ballot Notice for information purpose only.
3. Members may please note that this Postal Ballot Notice will also be available on the websites of the Company (www.shardamotor.com), BSE Limited and National Stock Exchange of India Limited (www.bseindia.com and www.nseindia.com), and on the website of CDSL (www.evotingindia.com). Members who do not receive the Postal Ballot Notice may download the same from above mentioned websites. As per the MCA Circulars, physical copy of this Postal Ballot Notice, Postal Ballot form and pre-paid business reply envelope are not being sent to the members for this Postal Ballot.
4. Members desirous of inspecting the documents referred to in this Postal Ballot Notice or Explanatory Statement may send their requests at investorrelations@shardamotor.com from their registered e-mail addresses mentioning their names, folio numbers, DP ID and Client ID during e-voting period mentioned hereinabove in this notice.
5. In compliance with the provisions of Section 108 and Section 110 of the Companies Act read with Rules 20 and 22 of the Rules, Regulation 44 of the Listing Regulations, SS-2 and the MCA Circulars, the Company is pleased to provide remote e-voting facility through CDSL to enable its Members to cast their votes on the Resolution set forth in this notice electronically.
6. The Resolution, if passed by the requisite majority through Postal Ballot, will be deemed to have been passed on the last date specified for e-voting, i.e., Friday, May 24, 2024.
7. Voting process and instruction regarding remote e-voting:
 - (i) The remote e-voting period commences from 9 a.m. IST on Thursday, April 25, 2024, and ends at 5 p.m. IST on Friday, May 24, 2024. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it



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has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

- (iii) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- (iv) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat |



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| | |
|---|---|
| | <p>Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none">1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



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Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000 |

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

| | |
|--|--|
| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |



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- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - 1) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 2) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.



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- 3) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- 4) The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- 5) It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 6) Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vkc.pcs@gmail.com and investorrelations@shardamotor.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- (ii) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- (iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.



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EXPLANATORY STATEMENT

(Pursuant to Sections 102 and 110 of the Companies Act read with Rule 22 of the Rules and the Buyback Regulations)

The Board of Directors of the Company (“**Board**”), at its meeting held on Thursday, April 18, 2024 (“**Board Meeting**”) has, subject to the approval of the Members of the Company by way of special resolution and subject to such approvals of regulatory and/or statutory authorities as may be required under applicable laws, approved buyback of up to 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven only) fully paid-up equity shares of the Company each having a face value of INR 2/- (Indian Rupees two only) (“**Equity Shares**”) on a proportionate basis through the “tender offer” route through the stock exchange mechanism in accordance with the Companies Act, 2013, as amended (“**Companies Act**”), rules framed under the Companies Act, including the Companies (Share Capital and Debentures) Rules, 2014, and the Companies (Management and Administration) Rules, 2014, as amended, to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“**Buyback Regulations**”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”), and the Securities and Exchange Board of India Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with Circulars CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 (“**SEBI Circulars**”), at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share (“**Buyback Price**”), subject to any increase to the Buyback Price as may be approved by the Board/ Buyback Committee payable in cash for an aggregate amount of not exceeding INR 1,84,99,98,600/- (Indian Rupees One Hundred and Eighty Four Crore Ninety Nine Lakh Ninety Eight Thousand Six Hundred only) (“**Buyback Size**”) excluding transaction costs, applicable taxes and other incidental and related expenses.

The Buyback Size is within 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2023 (i.e., the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback).

The Buyback Size constitutes 23.66% and 24.41% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2023, respectively. The Equity Shares proposed to be bought back represent approximately 3.46% of the total number of equity shares in the paid-up share capital of the Company as of March 31, 2023 and as of March 31, 2024.

Since the Buyback is more than 10% of the total paid-up equity share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act and Regulation 5(i)(b) of the Buyback Regulations, it is necessary to obtain the consent of the Members of the Company, for the Buyback, by way of a special resolution. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the special resolution provided in this Postal Ballot Notice.

Certain figures contained in this Postal Ballot Notice have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points.

Requisite details relating to the Buyback are given below:

a. Necessity for the Buyback:

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term (including investment in growth



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plans and associated capital expenditure), the Company's dividend pay-out trend and cash reserves in order to return surplus funds to the shareholders in an effective and efficient manner. The Buyback is being undertaken, inter-alia, for the following reasons:

(i) The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares, thereby, enhancing the overall return to shareholders;

(ii) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back, whichever is higher, reserved for small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholders" as per Regulation 2(i)(n) of the Buyback Regulations;

(iii) The Buyback may help in improving its return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and

(iv) The Buyback gives an option to the Eligible Shareholders holding Equity Shares of the Company to either choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback or choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback, without additional investment.

b. Maximum number of securities that the Company proposes to buyback:

The Company proposes to buyback up to 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven only) Equity Shares, representing 3.46% of the total number of Equity Shares in the paid-up share capital of the Company as of March 31, 2023 and as of March 31, 2024.

c. Buyback Price and the basis of arriving at the Buyback Price:

The Equity Shares are proposed to be bought back at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and the closing price of the Equity Shares at BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (collectively, "Stock Exchanges"), i.e. the stock exchanges where the Equity Shares are listed.

The Buyback Price represents:

- (i) premium of 29.52% and 29.64% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the 3 (three) months preceding Monday, April 8, 2024, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback ("Intimation Date");
- (ii) premium of 31.30 and 30.77% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the 2 (two) weeks preceding the Intimation Date;
- (iii) premium of 25.69% and 25.14% over the closing price of the Equity Share on BSE and NSE, respectively, as on the Intimation Date; and
- (iv) premium of 13.35% and 13.20% over the closing price of the Equity Share on BSE and NSE, respectively, as on April 18, 2024, being the date of the Board Meeting.

The closing market price of the Equity Shares as on the Intimation Date was INR 1,432 and INR 1,438 and as on the date of the Board Meeting was INR 1,588 and INR 1,590 on BSE and NSE, respectively.



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As required under Section 68(2)(d) of the Companies Act and Regulation 4(ii)(a) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up equity share capital and free reserves after the Buyback based on standalone and consolidated financial statements of the Company as on March 31, 2023, whichever sets out a lower amount.

In terms of Regulation 5(via) of the Buyback Regulations, the Board may, till one working day prior to the Record Date (as defined below), increase the Buyback Price and decrease the number of Equity Shares proposed to be bought back, such that there is no change in the Buyback Size.

d. Maximum amount required for the Buyback, its percentage of the total paid-up capital and free reserves and sources of funds from which Buyback would be financed:

The maximum amount required for the Buyback will not exceed INR 1,84,99,98,600/- (Indian Rupees One Hundred and Eighty Four Crore Ninety Nine Lakh Ninety Eight Thousand Six Hundred only) (excluding transaction costs). The Buyback Size constitutes 23.66% and 24.41% of the aggregate of the total paid-up share capital and free reserves, as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2023, respectively, which is within the statutory limit of 25% of the total paid-up equity capital and free reserves of the Company, in compliance with the Buyback Regulations and the Companies Act.

The funds for implementation of the proposed Buyback will be sourced out of the free reserves of the Company and/ or such other sources as may be permitted by Buyback Regulations or the Companies Act. Funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.

The Company shall transfer from its free reserves and/ or such other sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

e. Method to be adopted for the Buyback:

The Buyback shall be on a proportionate basis, through the "tender offer" route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars. The Buyback will be implemented in accordance with the Companies Act read with the rules framed thereunder, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date ("**Record Date**") for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback ("**Eligible Shareholder(s)**"). Consequent to the approval of the Buyback, Eligible Shareholder(s) will receive a Letter of Offer along with a Tender Form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- (i) Reserved category for small shareholders; and
- (ii) General category for all other shareholders.

As defined in Regulation 2(i)(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, based on closing price of shares on Stock Exchange having highest trading volume as on the Record Date, of not more than INR 2,00,000/- (Indian Rupees two lakh only).



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In accordance with Regulation 6 of the Buyback Regulations, 15% (Fifteen percent) of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of the Buyback applicable in the category to which such shareholder belongs.

In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios do not receive a higher entitlement under the small shareholder category, the Company proposes to club together the Equity Shares held by such Eligible Shareholders with a common permanent account number ("PAN") for determining the category (small shareholder or general) and entitlement under Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical or where the PAN of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and the names of joint shareholders are identical.

The participation of Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. The settlement under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified under the SEBI Circulars.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant timetable will be included in the letter of offer to be sent to the Eligible Shareholder(s).

f. Time limit for completing the Buyback:

The Buyback, subject to the regulatory consents and approvals, if any, is proposed to be completed within a period of one year from the date of passing of the Special Resolution by the Members as contemplated in this Postal Ballot Notice.

g. Compliance with Section 68(2)(c) of the Companies Act and Regulation 4(i) of the Buyback Regulations:

The aggregate paid-up share capital and free reserves (including securities premium account) as of March 31, 2023, is INR 78,182 Lakh (Indian Rupees Seven Hundred and Eighty One Crore Eighty Two Lakh only) and INR 75,785.32 (Indian Rupees Seven Hundred and Fifty Seven Crore Eighty Five Lakh

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Thirty Two Thousand only) as per the latest audited standalone and consolidated financial statements of the Company as of March 31, 2023, respectively. Under the provisions of the Companies Act and Buyback Regulations, the funds deployed for the Buyback cannot exceed 25% of the aggregate fully paid-up share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as of March 31, 2023. The maximum amount proposed to be utilized for the Buyback, as approved by the Board in its meeting dated April 18, 2024, is not exceeding INR 1,84,99,98,600/- (Indian Rupees (One Hundred Eighty Four Crore Ninety Nine Lakhs Ninety Eight Thousand and Six Hundred only)) and is therefore within the aforesaid limit of 25%. Further, under the Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Since the Company proposes to buyback up to 3.46% Equity Shares, the same is within the aforesaid 25% limit.

h. Details of holding and transactions in the Equity Shares by the members of the Promoter Group, directors and key managerial personnel of the Company

The aggregate shareholding of the promoters, members of the promoter group (collectively, “Promoter Group”) and persons in control of the Company, as on the date of the Board Meeting and this Postal Ballot Notice, are as follows:

| Sr. No. | Name | Category | Number of Equity Shares held | % shareholding |
|--------------|------------------|----------------|------------------------------|----------------|
| 1. | Ajay Relan | Promoter | 1,73,71,380 | 58.43 |
| 2. | Aashim Relan | Promoter group | 15,22,200 | 5.12 |
| 3. | Indira Choudhary | Promoter group | 2,65,185 | 0.89 |
| 4. | Mala Relan | Promoter group | 26,04,130 | 8.76 |
| 5. | Sharda Relan | Promoter group | Nil | Nil |
| Total | | | 2,17,62,895 | 73.20 |

The aggregate shareholding of the directors (other than members of the Promoter Group) and key managerial personnel of the Company, as on the date of the Board Meeting and this Postal Ballot Notice, are as follows:

| Sr. No. | Name | Number of Equity Shares held | % shareholding |
|--------------|--------------------------|------------------------------|-------------------|
| 1. | Kishan Nagin Parikh | 750 | Negligible |
| 2. | Ashok Kumar Bhattacharya | Nil | Nil |
| 3. | Udayan Banerjee | Nil | Nil |
| 4. | Nitin Vishnoi | Nil | Nil |
| 5. | Sarita Dhuper | Nil | Nil |
| 6. | Puru Aggarwal | Nil | Nil |
| 7. | Puru Aggarwal (HUF) | 2,036 | Negligible |
| Total | | 2,786 | Negligible |

No Equity Shares or other specified securities in the Company were either purchased or sold by (a) the members of the Promoter Group and persons who are in control of the Company; (b) directors and key managerial personnel of the Company, during a period of 6 (six) months preceding the date of the Board Meeting and until the date of this Postal Ballot Notice.

i. Intention of members of the Promoter Group and persons in control of the Company to participate in the Buyback:

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In terms of the Buyback Regulations, under tender offer route, the members of the Promoter Group of the Company have the option to participate in the Buyback.

The members of the Promoter Group *vide* their letters dated April 24, 2024, have communicated that 3 (three) of the members of the Promoter Group intend to participate in the Buyback and tender up to the number of Equity Shares set out in the table below, or such lower number of Equity Shares as permitted under the applicable law:

| Sr. No. | Name | Number of Equity Shares held | Number of Equity Shares intended to be tendered up to |
|--------------|--------------|------------------------------|---|
| 1. | Ajay Relan | 1,73,71,380 | 1,73,71,380 |
| 2. | Aashim Relan | 15,22,200 | 15,22,200 |
| 4. | Mala Relan | 26,04,130 | 26,04,130 |
| Total | | 2,14,97,710 | 2,14,97,710 |

The Buyback will not result in any benefit to Promoter Group or any directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares, which will lead to reduction in the equity share capital of the Company post Buyback.

The entire shareholding of the members of the Promoter Group is in demat mode. The details of the date and price of acquisition/ sale of the Equity Shares by the members of the Promoter Group and persons in control of the Company who intend to participate in the Buyback are set out below:

(i) Ajay Relan

| Sr. No. | Date of Acquisition/ Sale | Nature of transaction | Face Value (in INR) | Number of Equity Shares acquired/ (sold) | Consid- eration | Issue price/ transfer price per Equity Share (in INR) | Cumulative holding |
|---------|---|-----------------------------------|---------------------|--|--|--|-----------------------|
| | | | | | (Cash, other than cash etc.) | | |
| 1 | Balance as on September 30, 2003 ⁽¹⁾ | - | 10 | - | - | - | 4,05,189 |
| 2 | November 12, 2005 ⁽²⁾ | Bonus 1:1 | 10 | 4,05,189 | NA | - | 8,10,378 |
| 3 | May 31, 2013 | Offer for sale | 10 | (25,000) | Cash | 504.49 | 7,85,378 |
| 4 | June 24, 2016 | Inter -Se transfer (through gift) | 10 | 11,48,480 | NA | - | 19,33,858 |
| 5 | December 27, 2017 | Sale on open market | 10 | (19,663) | Cash | 2,458.64 | 19,14,195 |
| 6 | July 02, 2018 to July 24, 2018 | Purchase on open market | 10 | 6,102 | Cash | 1,873.50 ⁽³⁾ | 19,20,297 |
| 7 | October 01, 2018 to | Purchase on open market | 10 | 6,922 | Cash | 1,533.47 ⁽³⁾ | 19,27,219 |



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| | | | | | | | |
|----|-------------------------------|--|----|-------------|----|---|-------------|
| | October 11, 2018 | | | | | | |
| 8 | September 24, 2020 | Inter-se transfer (through memorandum of partition of HUF) | 10 | 19,200 | NA | - | 19,46,419 |
| 9 | October 24, 2020 | Inter-se transfer (through gift) | 10 | 15,27,857 | NA | - | 34,74,276 |
| 10 | April 19, 2021 ⁽⁴⁾ | Subdivision of shares | 2 | 1,38,97,104 | NA | - | 1,73,71,380 |

Notes:

- (1) Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.
- (2) Date of allotment pursuant to bonus issue.
- (3) Average price at which the Equity Shares were purchased during the relevant period.
- (4) Record date for subdivision of shares.

(ii) Aashim Relan

| Sr. No. | Date of Acquisition/ Sale | Nature of transaction | Face Value (in INR) | Number of Equity Shares acquired/ (sold) | Consideration | Issue price/ transfer price per Equity Share (in INR) | Cumulative holding |
|---------|---|-------------------------|---------------------|--|------------------------------|---|--------------------|
| | | | | | (Cash, other than cash etc.) | | |
| 1 | Balance as on September 30, 2003 ⁽¹⁾ | - | 10 | - | - | - | 1,45,600 |
| 2 | November 12, 2005 ⁽²⁾ | Bonus 1:1 | 10 | 1,45,600 | NA | - | 2,91,200 |
| 3 | August 24, 2015 | Purchase on open market | 10 | 3,000 | Cash | 911.91 | 2,94,200 |
| 4 | September 01, 2015 to September 29, 2015 | Purchase on open market | 10 | 5,500 | Cash | 870.52 ⁽³⁾ | 2,99,700 |
| 5 | December 10, 2015 | Purchase on open market | 10 | 1,200 | Cash | 915.16 | 3,00,900 |
| 6 | April 12, 2017 to April 21, 2017 | Purchase on open market | 10 | 414 | Cash | 2,064.60 ⁽³⁾ | 3,01,314 |


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| | | | | | | | |
|---|----------------------------------|-------------------------|----|-----------|------|-------------------------|-----------|
| 7 | March 07, 2018 to March 23, 2018 | Purchase on open market | 10 | 3,126 | Cash | 1,827.62 ⁽³⁾ | 3,04,440 |
| 8 | April 19, 2021 ⁽⁴⁾ | Subdivision of Shares | 2 | 12,17,760 | NA | - | 15,22,200 |

Notes:

- (1) Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.
- (2) Date of allotment pursuant to bonus issue.
- (3) Average price at which the Equity Shares were purchased during the relevant period.
- (4) Record date for subdivision of shares.

(iii) Mala Relan

| Sr. No. | Date of Acquisition/ Sale | Nature of transaction | Face Value (in INR) | Number of Equity Shares acquired/ (sold) | Conside | Issue price/ transfer price per Equity Share (in INR) | Cumulative holding |
|---------|---|-------------------------|---------------------|--|-------------------------------------|---|--------------------|
| | | | | | ration (Cash, other than cash etc.) | | |
| 1 | Balance as on September 30, 2003 ⁽¹⁾ | - | 10 | - | - | - | 2,85,630 |
| 2 | November 12, 2005 ⁽²⁾ | Bonus 1:1 | 10 | 2,85,630 | NA | - | 5,71,260 |
| 3 | May 31, 2013 | Offer for sale | 10 | (75,000) | Cash | 505.52 | 4,96,260 |
| 4 | December 28, 2016 to December 30, 2016 | Purchase on open market | 10 | 154 | Cash | 996.48 ⁽³⁾ | 4,96,414 |
| 5 | January 5, 2017 | Purchase on open market | 10 | 838 | Cash | 1,050.21 | 4,97,252 |
| 6 | December 27, 2017 | Purchase on open market | 10 | 19,663 | Cash | 2,459.62 | 5,16,915 |
| 7 | March 07, 2018 to March 23, 2018 | Purchase on open market | 10 | 3,911 | Cash | 1,877.03 ⁽³⁾ | 5,20,826 |
| 8 | April 19, 2021 ⁽⁴⁾ | Subdivision of Shares | 2 | 26,04,130 | NA | - | 26,04,130 |

Notes:

- (1) Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.
- (2) Date of allotment pursuant to bonus issue.



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- (3) Average price at which the Equity Shares were purchased during the relevant period.
- (4) Record date for subdivision of shares.

j. Confirmations from the Company as per the provisions of the Buyback Regulations and the Companies Act:

- (i) all the Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue and allot any Equity Shares or other specified securities (including by way of bonus) or convert any outstanding employee stock options / outstanding instruments into Equity Shares, from the date of the Postal Ballot Resolution till the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- (iii) unless otherwise specifically permitted by any relaxation issued by SEBI and / or any other regulatory authority, the Company shall not raise further capital for a period of one year, as prescribed under the provisions of Regulation 24(f) of the Buyback Regulations, from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of its subsisting obligations;
- (iv) the Company, as per the provisions of Section 68(8) of the Companies Act, will not make a further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of six months except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- (v) the Company shall not withdraw the Buyback after the letter of offer is filed with SEBI or public announcement of the offer to Buyback is made;
- (vi) the Company will ensure consequent reduction of its share capital post Buyback and the Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Companies Act within the specified timelines;
- (vii) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- (viii) the consideration for the Buyback shall be paid by the Company only in cash;
- (ix) the Company shall not buyback its Equity Shares or other specified securities from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of Buyback;
- (x) there are no defaults (either in the past or subsisting) in the repayment of deposits or interest thereon, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend or repayment of any term loans or interest payable thereon to any shareholder or financial institution or banking company, as the case may be, and in case of defaults which have ceased to subsist, if any, a period of more than three years has lapsed;
- (xi) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting;



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- (xii) the Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- (xiii) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- (xiv) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid-up capital and free reserves after the Buyback, based on standalone and consolidated financial statements of the Company, as prescribed under the Companies Act and rules made thereunder and Buyback Regulations;
- (xv) the Company is not buying back its Equity Shares so as to delist its shares or other specified securities from the stock exchanges;
- (xvi) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, or through any investment company or group of investment companies; and
- (xvii) the Company has obtained the prior consent of its lenders, as necessary, for undertaking the Buyback.

k. Confirmation from the Board:

In terms of clause (x) of Schedule I of the Buyback Regulations, the Board has confirmed that it has made full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- (i) immediately following the date of Board Meeting and date on which the result of the shareholders' resolution passed by way of postal ballot ("**Postal Ballot Resolution**") will be declared, approving the Buyback, there will be no grounds on which the Company can be found unable to pay its debts;
- (ii) as regards the Company's prospects for the year immediately following the date of Board Meeting as well as the date of the Postal Ballot Resolution, and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting and the Postal Ballot Resolution; and
- (iii) in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, or the Insolvency and Bankruptcy Code, 2016, as applicable.

l. Report addressed to the Board by the Company's statutory auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated April 18, 2024, of M/s. S.R. DINODIA & CO. LLP, the statutory auditors of the Company, addressed to the Board of the Company is reproduced below:



SHARDA MOTOR INDUSTRIES LIMITED

CIN: L74899DL1986PLC023202

Regd. Office: D-188, Okhla Industrial Area, Phase I, New Delhi-110020 Tel.: +91 11 4733 4100; Fax: +91 11 2681 1676

Email: investorrelations@shardamotor.com; Website: www.shardamotor.com

Quote

To,

**The Board of Directors,
Sharda Motor Industries Limited**

D-188, Okhla Industrial Area,
Phase-I, New Delhi – 110 020, India.

Statutory Auditor's Report in respect of permissible limit for proposed buyback of equity shares by Sharda Motor Industries Limited ("Company") in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated April 18th, 2024.
2. The board of directors of the Company have approved a proposal for buyback of equity shares of the Company at its meeting held on April 18th April, 2024, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ("Act"), as amended and the Buyback Regulations.
3. The management of the Company has prepared the accompanying statement of permissible capital payment (set out in Annexure A) based on annual audited standalone and consolidated financial statements as at March 31, 2023 ("Statement"), which we have initialled for the purpose of identification only.

Management's Responsibility

4. The preparation of the Statement in compliance with Section 68(2)(c) and other applicable provisions of the Act and Regulation 4(i) and other applicable provisions of the Buyback Regulations is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment (including premium), the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
5. The board of directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its liabilities from the date of board meeting approving the buyback of its equity shares i.e., April 18th, 2024, and will not be rendered insolvent within a period of one year from the date of the board meeting, and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

Auditor's Responsibility

6. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
 - a. we have inquired into the state of affairs of the Company in relation to the annual audited standalone and consolidated financial statements as at March 31, 2023;



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- b. the amount of permissible capital payment for the proposed buyback as stated in Annexure A, has been properly determined considering the annual audited standalone and consolidated financial statements as at March 31, 2023 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations; and
 - c. the board of directors of the Company, at their meeting held on April 18th, 2024, have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.
7. The annual standalone and consolidated financial statements referred to in paragraph 6 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated May 18, 2023. We conducted our audit of the annual standalone and consolidated financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:
 - i. Examined that the amount of permissible capital payment for the buyback as detailed in Annexure A is in accordance with the provisions of Section 68(2)(c) of the Act;
 - ii. Inquired into the state of affairs of the Company with reference to the audited standalone financial statements and audited consolidated financial statements as at March 31, 2023;
 - iii. Traced the amounts of paid-up equity share capital, retained earnings, and general reserves as mentioned in Annexure A from the audited standalone financial statements and audited consolidated financial statements as at March 31, 2023;
 - iv. Verified the arithmetical accuracy of the amounts mentioned in Annexure A; and
 - v. Obtained appropriate representations from the Management of the Company
9. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India ("**Guidance Note**") and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this report. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid buyback.



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Opinion

11. Based on inquiries conducted and our examination as above, we report that:
- We have inquired into the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at March 31, 2023
 - The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith as Annexure A, in our view, has been properly determined in accordance with Section 68 (2)(c) of the Act and Regulation 4(i) of the Buyback Regulations.
 - The board of directors of the Company, at their meeting held on April 18, 2024, have formed the opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing the board resolution dated April 18 2024.

Restriction on use

12. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company as mentioned in paragraph 2 above, (ii) to enable the board of directors of the Company to include in the explanatory statement enclosed with the postal ballot notice to be circulated to the shareholders, the public announcement, the letter of offer and other documents pertaining to buyback to be sent to the shareholders of the Company or to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India ("SEBI"), Stock Exchanges and any other regulatory authority as per applicable law in India and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Manager to the proposed buyback of equity shares of the Company for onward submission to the SEBI, Stock Exchanges and / or any other regulatory authority as required under the law in India, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Limiting Conditions

13. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. DINODIA & CO. LLP**

Chartered Accountants

Firm's Registration No. 001478N/N500005

Sd/-

(Sandeep Dinodia)

Partner

Membership No. 083689

UDIN: 24083689BKBLSI6892

Place of Signature: New Delhi

Date: April 18, 2024

**SHARDA MOTOR INDUSTRIES LIMITED**

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Annexure A

Statement of determination of the amount of permissible capital payment towards the buyback of equity shares of Sharda Motor Industries Limited in compliance with Section 68(2)(c) of the Companies Act, 2013 (“Act”) and Regulation 4 of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“Buyback Regulations”), based on annual audited standalone and consolidated financial statements as at March 31, 2023.

(Amount in INR Lakh)

| Particulars | | Standalone | Consolidated |
|--|-------------|------------|--------------|
| Paid-up equity capital as at March 31, 2023 (29,731,630 fully paid-up equity shares of INR 2 each) | (A) | 594.63 | 594.63 |
| Free Reserves as at March 31, 2023: | | | |
| - Retained earnings | | 56,561.69 | 54,165.01 |
| - Securities premium reserve | | 0.00 | 0.00 |
| - General reserve | | 21,025.68 | 21,025.68 |
| Total Free Reserves | (B) | 77,587.37 | 75,190.69 |
| Total paid-up equity capital and free reserves | (C) = (A+B) | 78,182.00 | 75,785.32 |
| Maximum amount permissible for buyback under Section 68 of the Act and Regulation 4(i) of the Buyback Regulations, i.e., 25% of the aggregate total paid-up capital and free reserves. | (C) * 25% | 19,545.50 | 18,946.33 |

For & on behalf of the board of directors of
Sharda Motor Industries Limited

Sd/-

Name: Ajay Relan

Designation: Managing Director

Place: New Delhi

Date: April 18, 2024

Unquote

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding Equity Shares of the Company. The directors, therefore, recommend the Special Resolution as set out in the accompanying Notice for approval by the Members.

None of the directors or key managerial personnel of the Company or their respective relatives are in any way concerned or interested, either directly or indirectly, in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

**By order of the Board of Directors
For Sharda Motor Industries Limited**

**Nitin Vishnoi
Executive Director & Company Secretary**

Place: New Delhi
Date: April 24, 2024

M. No F3632
DIN: 08538925