

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a registered Shareholder(s)/beneficial owners of equity shares of Shervani Industrial Syndicate Limited (the “Company” or “SISL”) as on Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“Buyback Regulations”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Buyback (VC Corporate Advisors Private Limited) or Registrar to the Buyback (Link Intime India Private Limited). Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.

SHERVANI INDUSTRIAL SYNDICATE LIMITED

CIN: L45202UP1948PLC001891

Registered Office: Shervani Nagar, Sulem Sarai, Harwara, Prayagraj (Allahabad)- 211015

Tel no: 91- 7311128115; Fax: 91 532 2436928;

Email: shervaniind@rediffmail.com; Website: www.shervaniind.com

Company Secretary and Compliance Officer: Mr. S K Shukla

OFFER FOR BUYBACK OF UPTO 4,15,000 (FOUR LAKHS FIFTEEN THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH, REPRESENTING 13.32% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2018, FROM ALL THE SHAREHOLDERS OF THE COMPANY AS ON FRIDAY, MARCH 29, 2019 (RECORD DATE), ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE AT A BUYBACK PRICE OF RS. 500/- (RUPEES FIVE HUNDRED ONLY) PER EQUITY SHARE PAYABLE IN CASH FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING RS. 20,75,00,000/- (RUPEES TWENTY CRORES SEVENTY FIVE LAKHS ONLY)

1. The Buyback is in accordance with Article 5A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures Rules), 2014, the Companies (Management and Administration) Rules, 2014 framed thereunder and in accordance with Regulation 4(iv)(a) of the Buyback Regulations. The Buyback is subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to Securities and Exchange Board of India (“SEBI”) and BSE Limited (“BSE”), the only stock exchange where the equity shares of the Company are listed. The Buyback would be facilitated by tendering of Equity Shares by shareholders and settlement of the same through the stock exchange mechanism as specified in accordance with SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time, which prescribes mechanism for tendering and settlement of equity shares through stock exchange (together referred to as “SEBI Circulars”). In this regard, the Company will request BSE to provide the acquisition window. For the purpose of this Buyback, BSE would be the Designated Stock Exchange.
2. The Buyback Size of Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) represents 24.49% and 24.94% of the fully paid-up equity share capital and free reserves as per the Standalone and Consolidated Audited Financials of the Company for the financial year ended March 31, 2018 respectively (which is within the limit of 25% of the fully paid-up equity share capital and free reserves as per the Standalone as well as Consolidated Audited Financials of the Company for the financial year ended March 31, 2018).
3. The Letter of Offer will be sent to the Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. Friday March 29, 2019.
4. The procedure for tender and settlement is set out in Paragraph 20 of this Draft Letter of Offer. The tender form (“Tender Form”) is enclosed together with this Draft Letter of Offer.
5. For mode of payment of consideration to the Shareholders, please refer to Paragraph 20 of this Draft Letter of Offer.
6. A copy of the Public Announcement and this Draft Letter of Offer (including the Tender Form) is expected to be available on the website of SEBI- <http://www.sebi.gov.in>.
7. Shareholders are advised to refer to Paragraph 17 (Details of the Statutory Approvals) and Paragraph 21 (Note on Taxation) of this Draft Letter of Offer before tendering their Shares in the Buyback.

BUYBACK OPENS ON: [●]

BUYBACK CLOSURES ON: [●]

LAST DATE AND TIME OF RECEIPT OF COMPLETED TENDER OFFER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK OFFER [●] by 5 P.M.

All future correspondence in relation to Buyback, if any, should be addressed to the Manager to the Buyback or the Registrar to the Buyback at the respective addresses mentioned below:



	MANAGER TO THE BUYBACK:		REGISTRAR TO THE BUYBACK:
	VC CORPORATE ADVISORS PRIVATE LIMITED CIN:U67120WB2005PTC106051 SEBI REGN NO: INM000011096 Validity period: Permanent Registration (Contact Person: Mr. Anup Kumar Sharma) 31 Ganesh Chandra Avenue, 2 nd Floor, Suite No –2C, Kolkata-700 013 Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941 Email: mail@vccorporate.com		LINK INTIME INDIA PRIVATE LIMITED CIN: U67190MH1999PTC118368 SEBI REGN NO: INR000004058 Validity period: Permanent Registration (Contact Person: Mr. Sumeet Deshpande) C-101, 247 Park, 1 st Floor, L.B.S. Marg Vikhroli (West), Mumbai -400 083 Phone No: +91 22 49186200 Fax : +91 22 49186195 Email-Id: sisl.buyback@linkintime.co.in

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1. SCHEDULE OF ACTIVITIES

ACTIVITIES	DATE	DAY
Date of Board Meeting approving the Buyback	30.01.2019	Wednesday
Date of Public Announcement for Buyback	15.03.2019	Friday
Date of publication of Public Announcement for Buyback	18.03.2019	Monday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	29.03.2019	Friday
Buyback Opening date	[•]	[•]
Buyback Closing date	[•]	[•]
Last Date of verification of Tender Forms by the Registrar	[•]	[•]
Last date of intimation regarding acceptance / non-acceptance of Tendered Equity Shares to the BSE Limited by the Registrar	[•]	[•]
Last date of Settlement of Bids on the BSE Limited	[•]	[•]
Last date of dispatch of share certificate(s) by Registrar / return of unaccepted demat Equity Shares by BSE Limited to Selling Member	[•]	[•]
Last date of Extinguishment of Equity Shares	[•]	[•]

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Equity Shares tendered by Eligible Shareholder(s) in the Buyback Offer.
Act or Companies Act	The Companies Act, 2013, as amended.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by BSE Limited in the form of a separate window in accordance with the SEBI Circulars.
Additional Shares	Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such shareholder not exceeding the equity shares held by such eligible shareholder as on the Record Date.
Articles	Articles of Association of the Company.
Board	The Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
Board Meeting	Meeting of Board of Directors of Shervani Industrial Syndicate Limited held on January 30, 2019 approving the proposal for the Buyback of Equity Shares.
Shareholders Meeting	The Shareholders of the Company approved the Buyback of Shervani Industrial Syndicate Limited through postal ballot the results of which were declared on March 15, 2019.
BSE	BSE Limited.
Buyback Regulations / SEBI (Buyback of Securities) Regulations, 2018	Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended.
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buyback applicable in the category, to which such Shareholder belongs to.
Buyback or Buyback Offer or Offer	Offer by Shervani Industrial Syndicate Limited to Buyback up to 4,15,000 Equity Shares having face value of Rs.10/- each at a price of Rs. 500/- per equity share from the Shareholders of the Company on a proportionate basis through Tender Offer route.
Buyback Price or Offer Price	Price at which shares will be bought back from the Eligible Shareholder i.e. Rs. 500/- per share, payable in cash.
Buyback Size or Offer Size	Number of Equity Shares proposed to be bought back multiplied by the Buyback Price for an aggregate amount of Rs. 20,75,00,000 /- [Rupees Twenty Crores Seventy Five Lakhs Only].
Clearing Corporation	Indian Clearing Corporation Limited
Company	Shervani Industrial Syndicate Limited.
CDSL	Central Depository Services (India) Limited.
DP	Depository Participant.
Eligible Shareholder(s) or Shareholder(s) or Members	Person(s) eligible to participate in the Buyback Offer and would mean all shareholders/beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. March 29, 2019.
Escrow Account	The Escrow Account titled [•] to be opened with the Escrow Agent in terms of Escrow Agreement.
Escrow Agent	[•]
Escrow Agreement	The escrow agreement to be entered into between the Company, the Manager to the Offer and Escrow Agent.
FEMA	Foreign Exchange Management Act, 1999 alongwith the amendments.
Offer Form / Tender Form	Form of Acceptance-cum-Acknowledgement.
General Category	Eligible Shareholders other than the Small Shareholders.
ITA or IT Act or Income Tax Act	Income Tax Act, 1961, as amended from time to time.
LOF or Offer Document	Letter of Offer.
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
Manager to the Buyback or Manager to the Offer	VC Corporate Advisors Private Limited
Management and Administration Rules	The Companies (Management and Administration) Rules, 2014
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB).
NSDL	National Securities Depository Limited.
Equity Share(s) or Share(s)	The Company's fully paid-up equity share(s) of face value of Rs. 10/- (Rupees Ten) each.
Offer Period or Tendering Period or Tender Period	Period of ten working days from the date of opening of the Buyback Offer i.e. [•] till its closure i.e. [•] (both days inclusive).
PA or Public Announcement	The Public Announcement dated 15.03.2019, made in accordance with the Buyback Regulations, published on 18.03.2019 in all editions of Financial Express (English), Jansatta

	(Hindi) all edition, and Aj {Hindi Prayagraj (Allahabad) edition}.
PAN	Permanent Account Number.
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. The Record Date determined for this Buyback Offer is March 29, 2019.
Registrar to the Buyback or Registrar to the Offer	Link Intime India Private Limited.
Reserved Category	The Small Shareholders eligible to tender Shares in the Buyback.
SEBI	Securities and Exchange Board of India.
SEBI Circulars	SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time.
Seller Member or Seller Broker	A stock broker (who is a member of the BSE and /or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback.
Share Capital Rules	The Companies (Share Capital and Debentures) Rules, 2014.
Small Shareholder	A Shareholder, who holds shares of market value not more than Rs. 2,00,000/- (Rupees Two Lakhs only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. March 29, 2019.
Stock Exchange or Recognized Stock Exchange	BSE Ltd, being the Stock Exchange where the shares of the Company are listed.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Tender Offer	Method of Buyback as defined in Regulation 2(1)(q) of the Buyback Regulations.
TRS	Transaction Registration Slip.
Working Day	Working day as defined in Regulation 2(1)(s) of the Buyback Regulations.

3. DISCLAIMER CLAUSE

3.1 As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of the Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the offer document. The Manager to the Buyback, M/s. VC Corporate Advisors Private Limited has certified that the disclosures made in the offer document are generally adequate and are in conformity with the provisions of the Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their shares in the Buyback.

3.2 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise Due Diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, M/s. VC Corporate Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated 21.03.2019 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the public announcement and draft letter of offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- the Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;
- all the legal requirements connected with the said Buyback offer including SEBI (Buy- Back of Securities) Regulations, 2018, as amended, have been duly complied with;
- the disclosures in the Public Announcement and Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the captioned Buyback offer;
- funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”

3.3 The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

3.4 Promoters/Directors of the Company declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-

statement/mis-representation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement/mis-representation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI (Buy-Back of Securities) Regulations, 2018, as amended.

- 3.5 Promoters/Directors also declare and confirm that funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

“RESOLVED THAT pursuant to the provisions of Section 68, 69,70 and all other applicable provisions, if any, of the Companies Act, 2013 and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, including any statutory modifications or re-enactments thereof (**“SEBI Buyback Regulations”**), and in accordance with Article No. 5A of the Articles of Association of the Company and such other permissions and exemptions as may be required from applicable regulatory and statutory authorities and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), and subject to the requisite approval of the shareholders of the Company to be accorded by way of Postal Ballot, the Board hereby recommends the proposal to Buyback upto 4,15,000 (Four Lakhs Fifteen Thousand) fully paid-up equity shares of the face value of Rs. 10/- each (representing 13.32% of the total number of shares in the paid-up equity share capital of the Company) at a price of Rs. 500/- (Rupees Five Hundred only) per equity share (the **“Buyback Offer Price”**) payable in cash, for an aggregate amount of Rs. 20,75,00,000/- (Rupees Twenty Crore Seventy Five Lakhs Only) excluding transaction costs viz. brokerage, securities transaction tax, GST, stamp duty, professional / legal fees, statutory fees, etc (**“Buyback Offer Size”**) being 24.94% of the fully paid-up equity share capital and free reserves as per the last available audited Annual Financial Statement of the Company for the financial year ended March 31, 2018 (which is within the limit of 25% of the fully paid-up equity share capital and free reserves as per the Standalone as well as Consolidated Audited Financials of the Company for the financial year ended March 31, 2018) from the shareholders of the Company on a proportionate basis, through the Tender Offer route as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the **“Buyback”**).

RESOLVED FURTHER THAT the buyback is being proposed in keeping with the Company’s desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares.

RESOLVED FURTHER THAT as required by Regulation 6 of the SEBI Buyback Regulations, the Company shall buyback equity Shares from the existing shareholders on a proportionate basis through tender offer mechanism, provided 15% of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders, as defined in the SEBI Buyback Regulations.

RESOLVED FURTHER THAT a draft copy of the postal ballot notice along with the Explanatory Statement and postal ballot form to be send to the shareholders for approval of the Buyback as placed before the board be and is hereby approved and any director of the Company or the Company Secretary be and are hereby severally authorized to issue the aforesaid notice under their signature to the shareholders and all other persons entitled to receive the same and to do all such acts, matters, deeds and things as may be required in connection with postal ballot.

RESOLVED FURTHER THAT M/s. Sidiqqe & Associates, Practicing Company Secretary, (Membership No. 2229, C.P No 1284) be and is hereby appointed as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

RESOLVED FURTHER THAT M/s. Link Intime India Private Limited, having there Registered office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400 083 be and is hereby appointed as the Registrar and Share Transfer Agent for the purpose of Buyback.

RESOLVED FURTHER THAT M/s. VC Corporate Advisors Private Limited, having their Registered Office at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No. 2C, Kolkata- 700013, be and is hereby appointed as the Manager to the Buyback offer.

RESOLVED FURTHER THAT the Company do utilise the services of Central Depository Services (India) Limited for providing e-voting platform in compliance with the provisions of Section 108 of the Companies Act, 2013 read with applicable provisions of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

RESOLVED FURTHER THAT the draft calendar of events as placed before the members of the Board, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors hereby confirms that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has noted that it shall not issue and allot any equity shares including by way of bonus, till the date of expiry of buyback period;
- c) the Company shall not buy back its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- d) that the aggregate amount of the Buyback i.e. Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) does not exceed 25% of the total paid-up capital and free reserves as per the last available Annual Financial Statement of the Company for the financial year ended March 31, 2018, as per the Standalone as well as Consolidated Audited Financials of the Company;
- e) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 4,15,000 (Four Lakhs Fifteen Thousand) equity shares, does not exceed 25% of the total number of shares in the paid-up equity share capital as per the last available Audited Financial Statement as on March 31, 2018;
- f) no default, has been made by the Company in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereof, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable to thereon to any financial institution or banking company;
- g) the debt equity ratio of the Company after the Buyback will be well within the limit of 2:1 as prescribed under the Companies Act, 2013 (to the extent applicable), as the case may be.

RESOLVED FURTHER THAT as required by Clause (x) of Schedule I of the SEBI Buyback Regulations, the Board hereby confirms that they have made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion:

- (a) That immediately following the date of the Board Meeting held on 30.01.2019 and the date on which the results of the postal ballot will be declared, there will be no grounds, on which the Company can be found unable to pay its debts;
- (b) That as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following date on which the results of the postal ballot will be declared approving the Buyback and having regards to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in 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 date of the Board meeting approving the Buyback or within a period of one year from the date on which the results of the postal ballot will be declared;
- (c) In forming the 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 Insolvency and Bankruptcy Code, 2016, as applicable.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including Promoters, Promoters Group and Persons Acting in concert (such shareholders herein after collectively known as "**Persons in Control**") that persons in control will be such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 ("**SEBI Takeover Regulations**") as the Board may consider appropriate, from out of its free reserves and/or cash balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT the Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from banks and financial institutions for paying the consideration to the shareholders who have tendered their equity shares in the Buyback.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities shares within a period of 6 months after the completion of the Buyback except by way of bonus shares or equity shares issued 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.

RESOLVED FURTHER THAT as per the provisions of Regulation 24(f) of SEBI Buyback Regulations, the Company shall not raise any further capital for a period of one year from the expiry of buyback period, except in discharge of its subsisting obligations.

RESOLVED FURTHER THAT the powers of the Board of Directors in respect of the buyback be delegated to a committee ("Buyback Committee") consisting of the following directors of the company namely Mr. Saleem Iqbal Shervani, Managing Director, Mr. Tahir Hasan and Mr. Mohd. Aslam Sayeed, Directors and Mr. S K Shukla Company Secretary and Compliance Officer of the Company and the quorum for the meeting of the Buyback Committee shall be presence of two members at the meeting.

RESOLVED FURTHER THAT that the Buyback Committee is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to finalizing the terms of the Buyback, record date, entitlement ratio, the actual number of equity Shares to be bought back, mechanism for the Buyback, opening of Escrow Bank Account and Special Bank Account or Special Demat Account, authorizing the persons to operate the said accounts, appointment of intermediaries or agencies for the implementation of the Buyback and sign and execute the incidental documentation as also to prefer applications to the appropriate authorities for their requisite approvals and to initiate all necessary actions for preparation and issue of various documents including but not limited to Public Announcement, Declaration of Solvency, Draft Letter of Offer, Letter of Offer, Corporate Actions with Depositories, extinguishment of Share Certificates and filing with appropriate authorities in connection with the Buyback on behalf of Board of Directors.

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorized to decide the related issues as may be required to regulate its working, to delegate all or any of the authorities conferred upon it to any Director(s) or Officer or authorized representative of the Company.

RESOLVED FURTHER THAT a register of securities bought back shall be maintained wherein the details of equity shares bought back, consideration paid for the equity shares bought back and date of extinguishing of equity shares and such other particulars as may be prescribed, shall be entered and that any Director of the Company be and is hereby authorized to authenticate the entries made in the said register.

5 DETAILS OF PUBLIC ANNOUNCEMENT

5.1 In accordance with Regulation 7(i) of the Buyback Regulations, the Company has made the Public Announcement dated 15.03.2019, which was published in the following newspapers on 18.03.2019:

Publication	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Aj	Hindi	Prayagraj (Allahabad) Edition

5.2 The Public Announcement was issued within 2 (two) Working Days from the date of declaration of results of the postal ballot the results of which was declared on 15.03.2019.

5.3 A copy of the Public Announcement is expected to be available on the SEBI website at www.sebi.gov.in.

6 DETAILS OF THE BUY BACK

6.1 The Board of directors of the of the Company at their meeting held on Wednesday, January 30, 2019 passed a resolution to buyback equity shares of the Company and sought approval of shareholders, by a special resolution, through Postal Ballot Notice, the results of which were declared on Friday March 15, 2019:

Maximum number of shares proposed to be bought back	The Company approved Buyback of up to 4,15,000 (Four lakhs Fifteen Thousand) Equity Shares of face value of Rs. 10/- each of the Company.
Number of Shares to be bought back as a percentage of existing paid-up share capital of the Company	The Shares to be bought back pursuant to the Buyback represents 13.32% of the total number of equity shares in the total paid up equity share capital of the Company as on March 31, 2018.
The price at which the shares are to be bought back	The Shares of the Company are proposed to be bought back at a price of Rs. 500/- (Rupees Five Hundred Only) per equity share.
The Regulations of SEBI/provisions of the Companies Act in accordance with which the Buyback offer is made	The Buyback is being undertaken in terms of Chapter III of the Buyback Regulations through tender offer route and in accordance with other applicable provisions of the Buyback Regulations, the SEBI Circulars, LODR Regulations and Sections 68, 69, 70, 110 and other applicable provisions, if any, of the Companies Act, and the relevant rules framed thereunder, including the Share Capital Rules, Management and Administration Rules to the extent applicable.
The methodology to be adopted for the Buyback	The Buyback shall be on a proportionate basis through the "Tender Offer" route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars.
The maximum amount to be expensed towards Buyback and its percentage w.r.t. the fully paid-up share capital and free reserves of the Company	The maximum amount required for Buyback will not exceed Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) excluding Company's transaction cost such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees etc. The said amount works out to being 24.49% and 24.94% of the fully paid-up equity share capital and free reserves as per the Standalone and Consolidated Audited Financials of the Company for the financial year ended March 31, 2018 respectively (which is within the limit of 25% of the fully paid-up equity share capital and free reserves as per the Standalone as well as Consolidated Audited Financials of the Company for the financial year ended March 31, 2018).
The details of the shareholding of the promoters and its percentage w.r.t. the total paid up Capital of the company	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Draft Letter of Offer.
Intention of the promoters to participate in the offer	The Promoters have expressed their intention vide their letters dated January 30, 2019 to participate in the Buyback. For details, please refer to Paragraph 9 (Management discussion and analysis of the likely impact of Buyback on the Company) of the Draft Letter of Offer.
Promoters shareholding after the Buyback	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Draft Letter of Offer.

6.2 Pursuant to the proposed Buyback and depending on the response to the Buyback, the shareholding of Promoter and Promoter Group in the Company would change from the existing 63.00% holding, as on date of draft letter of offer, in the total share capital and voting rights of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such change in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company.

6.3 The Company confirms that after the completion of the Buy-Back, the non-promoter shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the LODR Regulations.

7 AUTHORITY FOR THE BUYBACK

7.1 The Buyback is in accordance with Article 5A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, as amended, the relevant Rules framed thereunder and the provisions of the Buyback Regulations. The Buyback is subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to SEBI and BSE, the only stock exchange where the equity shares of the Company are listed.

7.2 The Buyback would be facilitated by tendering of Equity Shares by eligible shareholders and settlement of the same through the stock exchange mechanism in accordance with SEBI Circulars which prescribes mechanism for tendering and settlement of shares through stock exchange. In this regard, the Company will request BSE to provide the acquisition window. For the purpose of this Buyback, BSE would be the Designated Stock Exchange.

- 7.3 The Board of directors of the of the Company at their meeting held on Wednesday, January 30, 2019 passed a resolution to buyback equity shares of the Company and sought approval of shareholders, by a special resolution, through Postal Ballot Notice dated January 30, 2019 .
- 7.4 Further, the Buyback has been approved by the Shareholders by a special resolution through postal ballot in accordance with the provisions of Section 110 of the Companies Act and Rule 22 of Companies (Management and Administration) Rules, 2014, the result of which was announced on Friday, March 15, 2019.

8 NECESSITY OF THE BUYBACK

- 8.1 Share Buyback is the acquisition by a Company of its own shares. The objective is to return surplus cash to the shareholders of the Company. The Board at its meeting held on January 30, 2019, considered the free reserves as well as the cash liquidity reflected in both the Audited Standalone & Consolidated Financial Statements as on March 31, 2018 and decided to allocate a sum of Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) excluding Company's transaction costs such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees, etc. for distributing to the shareholders holding equity shares of the Company through the Buyback.
- 8.2 After considering several factors and benefits, the Board decided to recommend Buyback of equity shares from the shareholders of the Company, inter-alia, for the following reasons:
- i) The Buyback will help the Company to return surplus cash to its shareholders holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
 - ii) The Buyback would help in improving return on equity by reduction in the share capital base and increasing shareholder value in the longer term;
 - iii) The Buyback gives an option to the shareholders holding equity shares of the Company, who can choose to participate and get cash in lieu of shares to be accepted under the Buyback offer or they may choose not to participate and be benefitted of a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;
 - iv) Optimizes the capital structure:
 - v) Mitigating the Short Term Market Volatility.

9 MANAGEMENT DISCUSSIONS AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 We believe that the Buyback is not likely to cause any material impact on the profitability or earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming full response to the Buyback, the funds deployed by the Company towards the Buyback would not exceed Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only), excluding Company's transaction cost such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees etc.
- 9.2 The Promoter and Promoter Group, being in control of the Company of the Company have expressed vide letters dated January 30, 2019 their intention to participate in the proposed Buyback and tender an aggregate of 19,63,040 (Nineteen Lakh Sixty Three Thousand and Forty) or any such lower number of shares as required in compliance with the Buyback Regulations.
- 9.3 The Buyback of equity shares of the Company will not result in a change in control or otherwise effect the existing management structure of the Company.
- 9.4 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoter and Promoter Group Companies after the completion of the Buyback shall increase/decrease to [*]% of the post-Buyback total paid-up equity share capital of the Company from 63.00% of the pre-Buyback total paid-up equity share capital of the Company, and the aggregate shareholding of the public in the Company shall increase/decrease to [*]% of the post-Buyback total paid-up equity share capital of the Company from 37% of the pre-Buyback total paid-up equity share capital of the Company.
- 9.5 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change.

- 9.6 The debt-equity ratio after the completion of the Buyback will be within the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.7 The Company believes that the Buyback will not impact the growth opportunities of the Company.
- 9.8 The Company shall not raise further capital for a period of one year from the closure of the Buyback offer except in discharge of its subsisting obligations.
- 9.9 The Company shall not issue new shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- 9.10 The Promoters shall not deal in the Shares of the Company, including any inter se transfer of shares amongst the promoters / promoter group for the period between the date of passing of the special resolution and the date of the closure of the Buyback in accordance with the Buyback Regulations.
- 9.11 Salient financial parameters pursuant to the Buyback based on the Standalone and Consolidated audited financial statements of the Company for the year ended March 31, 2018 are set out below:

Parameter	Pre-Buy Back		Post-Buy Back	
	Standalone	Consolidated	Standalone	Consolidated
Net worth (Rs. in lakhs) ^a	8475.16	8323.36	6400.17	6248.36
Return on net worth (%) ^b	44.00%	45.23%	58.26%	60.26%
Earnings per Share (Rs.) ^c	118.90	120.06	138.05	139.39
Book value per Share (Rs.) ^d	271.99	267.12	236.95	231.33
Price/earnings as per financial statements for the financial year ended March 31, 2018 ^e	5.24	5.19	4.52	4.47
Total debt / equity ratio ^f	0.081	0.082	0.106	0.109

Note:

Pre and post Buyback calculations are based on audited standalone and consolidated financial statements of the Company as on March 31, 2018. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit & loss. Net worth used excludes revaluation reserves.

a. For the above purpose, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

b. Return on net worth is computed as profit after tax for the relevant period divided by closing net worth as at March 31, 2018.

c. Earnings per share is calculated as profit after tax for the relevant period divided by total number of shares pre Buyback and total number of shares post Buyback.

d. Book value per Share is calculated as pre Buyback net worth divided by total number of shares pre Buyback and post Buyback net worth divided by total number of shares post Buyback.

e. Price/Earnings is calculated on the closing market price of Shares on BSE as on 18.03.2019 i.e., date of publication of Public Announcement being Rs. 623.35 divided by Earnings per share pre and post Buyback respectively.

f. Total debt/equity ratio is calculated as total debt divided by net worth.

10 BASIS OF CALCULATING BUYBACK OFFER PRICE

10.1 The Shares of the Company are proposed to be bought back at a price of Rs. 500/- (Rupees Five Hundred Only) per share ("**Buyback Offer Price**"). The Buyback Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Shares on the BSE where the shares of the Company are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.

10.2 For trends in the Market price of the shares please refer to Paragraph 16.

10.3 The equity shares of the Company are proposed to be bought back at a price of Rs. 500/- (Rupees Five Hundred Only) per equity share (the "Buyback Offer Price"). The Board of Directors approved the Buyback Offer Price after considering various factors such as book value per share, earnings per share, price earning capitalization value, trading and market price of shares at BSE etc.

10.4 The Buyback Price is higher by 83.83% and 87.18% over the book value per share as on March 31, 2018 of the company on a standalone and consolidated basis respectively, which was Rs. 271.99 and Rs. 267.12.0 per Equity Share.

10.5 The basic and diluted EPS of the Company prior to the Buyback for the year ending March 31, 2018 was Rs. 118.90 per share and Rs. 120.06 per Share on a standalone and consolidated basis respectively. Assuming full acceptance under the Buyback, the EPS of the Company will be Rs. 138.05 per Share and Rs. 139.39 per share post Buyback, on a standalone and consolidated basis respectively.

10.6 The return on net worth of the Company on a standalone and consolidated basis was 44.00% and 45.23% respectively as on March 31, 2018, which will increase to 58.26% and 60.26% on standalone and consolidated basis respectively post Buyback assuming full acceptance of the Buyback.

10.7 Pre and post Buyback calculations are based on audited standalone and consolidated financials respectively of the Company as on March 31, 2018. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit and loss and reducing the no. of equity shares of the Company to the extent of 4,15,000 equity shares proposed to be bought back by the Company. Net worth excludes revaluation reserves.

11 SOURCES OF FUND FOR THE BUYBACK

11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of up to 4,15,000 (Four Lakhs Fifteen Thousand Only) Equity Shares at a price of Rs. 500/- (Rupees Five Hundred Only) per share not exceeding Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) excluding Company's transaction cost such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees etc.

11.2 The funds for the implementation of the Buyback will be sourced out of the free reserves of the Company and/or such other sources as may be permitted by the Buyback Regulations or the Companies Act.

11.3 The Company shall transfer from its free reserves, a sum equal to the nominal value of the Shares bought back through the Buyback to the capital redemption reserve account, and the details of such transfer shall be disclosed in its balance sheet. The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

12 DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN

12.1 In accordance with the Buyback Regulations, an escrow agreement ("**Escrow Agreement**") will be entered into amongst the Company, the Manager to the Buyback and the Escrow Agent on.

12.2 In accordance with the Buyback Regulations and pursuant to the Escrow Agreement, the Company will open an Escrow Account with [•] ("**Escrow Agent**") having its branch at [•]. In accordance with Regulation 9(xi) of the Buyback Regulations, the Company proposes to deposit the applicable amount in the Escrow Account on or before the Buyback Opening Date. In accordance with the Buyback Regulations; the Manager to the Buy Back will be empowered to operate the Escrow Account.

12.3 Gupta Vaish & Co., Chartered Accountants, (Firm Registration No. 005087C) having their head office at 27/42-A, canal Road, Near Gujrati School, Kanpur- 208001 and branch office at 37/17, 1st Floor, Wescott Building, The mall, Kanpur- 208001, Telephone: 0512- 2355048 have certified vide their certificate dated March 15, 2019 that the Company has adequate funds for the purposes of the Buyback of up to 4,15,000 (Four Lakhs Fifteen Thousand Only) Equity Shares at Rs. 500/- (Rupees Five Hundred Only) per equity share.

12.4 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Companies Act and the Buyback Regulations.

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The present capital structure of the Company is set out below.

A	AUTHORISED SHARE CAPITAL	
	62,80,000 Equity Shares of face value of Rs. 10/- each	Rs. 6,28,00,000
	20,000 Cumulative Redeemable Preference shares of Rs. 100/- each	Rs. 20,00,000
	8000 Deferred shares of Rs. 25/- each	Rs. 2,00,000
	Total	Rs. 6,50,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE BUYBACK	
	31,16,018 Equity Shares of face value of Rs. 10/- each fully paid up	Rs. 3,11,60,180
	8000 Deferred shares of Rs. 25/- each fully paid up	Rs. 2,00,000

13.2 Details of Buyback undertaken by the company in the last three years:

Particulars	Description
Type of security bought back	Equity shares
Maximum number of securities bought back	1,44,232 (One Lakh Forty Four Thousand Two Hundred and Thirty Two) equity shares of face value of Rs. 10/- each representing 4.42% of the total number of Equity Shares in the Issued, Subscribed and Paid-Up Equity Share Capital of the Company as on March 31, 2017.
Date of opening of the Buyback	Monday October 30, 2017
Date of closing of the Buyback	Friday, November 10, 2017
Buyback Price	Rs. 205/- (Rupees Two Hundred and Five Only)
Buyback size	Rs.2,95,67,560/- [Rupees Two Crores Ninety Five Lakhs Sixty Seven Thousand Five Hundred and Sixty Only] excluding Company's transaction cost such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees etc
Buyback mechanism	Tender Offer

13.3 As on the date of the Public Announcement, the Company confirms that there are no partly paid-up shares or calls in arrears.

13.4 The Company confirms that it shall not issue, including through a bonus issue, Shares or any other specified securities, till the date of closure of the Buyback offer in compliance with Regulation 24(i)(b) of the Buyback Regulations.

13.5 As on the date of the Public Announcement, the Company does not have any convertible securities.

13.6 Assuming full acceptance in the Buyback, the issued, subscribed and paid-up equity share capital of the Company after the completion of the Buyback Offer would be as set out below:

ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE BUYBACK	
27,01,018 Equity Shares of the face value of Rs. 10/- each	Rs. 2,70,10,180

13.7 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

13.8 The shareholding pattern of the Company before and after the completion of the Buyback is set out below.

Particulars	Pre-Buyback*		Post-Buyback#	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Promoter and persons acting in concert (collectively "the Promoters")	19,63,040	63.00%	[*]	[*]%
Foreign Investors (including Non-Resident Indians, FIIs and Foreign Mutual funds)	0	0.00%	[*]	[*]%
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	6,040	0.19%		
Others (Public, Public Bodies Corporate etc.)	11,46,938	36.81%		
Total	31,16,018	100.00	27,01,018	100.00%

* As on March 15, 2019

Assuming full acceptance of Equity Shares in the Buyback as per the Buyback Entitlement.

13.9 The aggregate shareholding of the Promoters and Promoter Group of the Company and the persons who are in control of the Company, as on the date of the notice of the postal ballot i.e., 30.01.2019 is given below:

Sl. No	Name	No. of Equity shares held	% of the total equity share capital
1	Saleem Iqbal Shervani	427580	13.72
2	Saeed Mustafa Shervani	183410	5.89
3	Azher Nisar Shervani	149655	4.8
4	Tahir Hasan	15415	0.49
5	Salma Hasan	110943	3.56
6	Rubina Shervani	66655	2.14

Sl. No	Name	No. of Equity shares held	% of the total equity share capital
7	Saad Mustafa Shervani	96130	3.09
8	Mustafa Rashid Shervani	76575	2.46
9	Ursala Fatima Shervani	87835	2.82
10	Zeba Hasan	141602	4.54
11	Zehra Shervani	14400	0.46
12	Aisra Amrah Fatima Shervani	14580	0.47
13	Shamsia Fatima Shervani	11790	0.38
14	Mohd. Aadil Mustafa Shervani	7840	0.25
15	Azher Family Trust	55065	1.77
16	Saeed Family Trust	55830	1.79
17	Salma Zeba Family Trust	61870	1.99
18	Saleem Family Trust	60985	1.96
19.	Aslam Family Trust	46445	1.49
20	Waqf Haji Bhikkan	7840	0.25
21	Shervani Enterprises Pvt. Ltd (Formerly known as Shervani Fabrics Pvt. Ltd.)	1450	0.05
22	Lebensraum Infra Pvt. Ltd. (Formerly known as Reed Finance Pvt. Ltd.)	269145	8.64
	TOTAL	1963040	63.00

13.9.1. Shareholding of the directors of the Promoter Group Companies mentioned in point 13.9 above as on the date of notice of postal ballot i.e. 30.01.2019 is given below:

Sl. No.	Name and detail of Company in which directorship is held	No. of Equity shares held	% of the total equity share capital
1	Mr. Azher Nisar Shervani, Director of Shervani Enterprises Pvt. Ltd. (Formerly known as Shervani Fabrics Pvt. Ltd.)	149655	4.80
2	Zehra Shervani, Director of Shervani Enterprises Pvt. Ltd.	14400	0.46
3	Mohd. Aadil Mustafa Shervani, Director of Shervani Enterprises Pvt. Ltd.	7840	0.25
4.	Raju Verghese, Director of Lebensraum Infra Pvt. Ltd (Reed Finance Pvt. Ltd.)	540	0.02
5.	R. Q. Khan, Director of Lebensraum Infra Pvt. Ltd (Reed Finance Pvt. Ltd.)	79	0.00
Total		172514	5.53

13.9.2. Shareholding of Directors and Key Managerial Personnel of the Company as on date of notice of postal ballot i.e., 30.01.2019:

DIN	Name	Designation	No. of Equity shares held	% of the total equity share capital
00023909	Saleem Iqbal Shervani	Executive Director	427580	13.72
00024390	Saeed Mustafa Shervani	Non-Executive - Non Independent Director	183410	5.89
00074282	Tahir Hasan	Executive Director & Chief Financial Officer	15415	0.49
00424635	Azher Nisar Shervani	Non-Executive - Non Independent Director	149655	4.80
05354321	Dr. Ashutosh Pratap Singh	Non-Executive - Independent Director- Chairperson	500	0.02
00074004	Kush Bhargava	Non-Executive - Independent Director	850	0.03
00148434	Gopal Swarup Chaturvedi	Non-Executive - Independent Director	800	0.03
01086812	Raju Verghese	Non-Executive - Non	540	0.02

DIN	Name	Designation	No. of Equity shares held	% of the total equity share capital
		Independent Director		
06652348	Mohd. Aslam Sayeed	Non-Executive - Independent Director	-	-
07090579	Shefali Bansal	Non-Executive - Non Independent Director	-	-
BNDPS7535K	Shrawan Kumar Shukla	Company Secretary	-	-

13.9.3. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buyback. In this regard, the Promoters have expressed their intention vide their letters dated 30th January, 2019 to participate in the Buyback and tender an aggregate of 19,63,040 (Nineteen Lakh Sixty Three Thousand and Forty Only) or any such lower number of shares as required in compliance with the Buyback Regulations.

13.9.4. The details of date and price of acquisition of the Equity shares that the Promoters intend to tender are stated below:

i. Saleem Iqbal Shervani

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	318680	-	Opening Balance
18.04.2017	108900	19321860	Open Market Purchase
Total	427580	-	Holding as on 30/01/2019

ii. Saeed Mustafa Shervani

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	130310	-	Opening Balance
18.04.2017	53100	9425249	Open Market Purchase
Total	183410	-	Holding as on 30/01/2019

iii. Azher Nisar Shervani

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	94855	-	Opening Balance
23.03.2017	54800	9417491	Open Market Purchase
Total	149655	-	Holding as on 30/01/2019

iv. Tahir Hasan

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	15415	-	Opening Balance
Total	15415	-	Holding as on 30/01/2019

v. Salma Hasan

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	57743	-	Opening Balance
23.03.2017	53200	9149462	Open Market Purchase

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Total	110943	-	Holding as on 30/01/2019

vi. **Rubina Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	66655	-	Opening Balance
Total	66655	-	Holding as on 30/01/2019

vii. **Saad Mustafa Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	93130	-	Opening Balance
15.10.2015	3000	150000	OFF Market
Total	96130	-	Holding as on 30/01/2019

viii. **Mustafa Rashid Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	76575	-	Opening Balance carried from previous year
Total	76575	-	Holding as on 30/01/2019

ix. **Ursala Fatima Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	87835	-	Opening Balance
Total	87835	-	Holding as on 30/01/2019

x. **Zeba Hasan**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	87902	-	Opening Balance
23.03.2017	53700	9222975	Open Market Purchase
Total	141602	-	Holding as on 30/01/2019

xi. **Zehra Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	14400	-	Opening Balance
Total	14400	-	Holding as on 30/01/2019

xii. **Aisra Amrah Fatima Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition / (Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	14580	-	Opening Balance

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Total	14580	-	Holding as on 30/01/2019

xiii. **Shamsiya Fatima Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	11790	-	Opening Balance
Total	11790	-	Holding as on 30/01/2019

xiv. **Mohd. Aadil Mustafa Shervani**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	7840	-	Opening Balance
Total	7840	-	Holding as on 30/01/2019

xv. **Azhar Family Trust**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	55065	-	Opening Balance
Total	55065	-	Holding as on 30/01/2019

xvi. **Saeed Family Trust**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	55830	-	Opening Balance
Total	55830	-	Holding as on 30/01/2019

xvii. **Salma Zeba Family Trust**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	61870	-	Opening Balance
Total	61870	-	Holding as on 30/01/2019

xviii. **Saleem Family Trust**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	60985	-	Opening Balance
Total	60985	-	Holding as on 30/01/2019

xix. **Aslam Family Trust**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	46445	-	Opening Balance
Total	46445	-	Holding as on 30/01/2019

xx. **Waqf Haji Bhikkan**

Date of Acquisition / (Sale)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009*	7840	-	Opening Balance
Total	7840	-	Holding as on 30/01/2019

xxi. **Shervani Enterprises Pvt (Formerly known as Shervani Fabrics Pvt. Ltd.)**

Date of Acquisition / (disposal)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009	1450	-	Opening Balance
Total	1450	-	Holding as on 30/01/2019

xxii. **Lebensraum Infra Pvt. Ltd. (Formerly known as Reed Finance Pvt. Ltd.)**

Date of Acquisition / (disposal)	Number of Equity shares Acquired/(Sold)	Cost of Acquisition /(Sale) (Rs.)	Remarks
Holding as on 01.04.2009	269145	-	Opening Balance
Total	269145	-	Holding as on 30/01/2019

*Details of date of acquisition/sale and cost of acquisition/sale prior to April 01, 2009 are not available

13.9.5. No shares or other specified securities in the Company were either purchased or sold by the Promoter/ Promoter Group during a period of twelve months preceding the date of Public Announcement.

14 BRIEF INFORMATION ABOUT THE COMPANY

14.1 The company was incorporated on 25th February 1948 as 'Great Eastern Electroplaters Limited' with the objective of carrying out the business of colour and chromium plating of consumer items under the Companies Act 1913. The name of the company was subsequently changed to "Geep Flashlight Industries Limited" to identify with the new business activity i.e. manufacture and sale of flashlight cases (torches). Subsequently the company expanded its product stream to include manufacture and sale of miniature lamps, dry cell batteries as well as trading of other consumer items. The name of the company was, on 9th August, 1979, changed to 'Geep Industrial Syndicate Limited'. Thereafter the Company sold the "GEEP" brand, design, art work, distribution network alongwith marketing assets to 'Gillette Group' and consequently the name of the Company was again changed to 'Shervani Industrial Syndicate Limited'(SISL). Subsequently, the company diversified and changed its main business into Real Estate.

14.2 The registered office of the Company is at Shervani Nagar, Sulem Sarai, Harwara, Prayagraj (Allahabad)- 211015.

14.3 The current authorized equity share capital of the Company consists of 65,00,000 (Sixty Five lakhs) Equity Shares of face value of Rs. 10/- each, amounting to Rs. 6,50,00,000 (Rupees Six Crores Fifty Lakhs only). The total paid-up share capital of the Company is Rs. 3,11,60,180/- (Rupees Three Crores Eleven Lakhs Sixty Thousand One Hundred and Eighty Only) represented by 31,16,018 (Thirty One Lakhs Sixteen Thousand and Eighteen) Equity Shares of face value of Rs. 10/- each.

14.4 The history of the Equity Share Capital of the Company is set out below:

Sl No	Date of the Board resolution authorizing allotment	No. of Equity shares issued	% of Equity shares issued	Cumulative Equity Share Capital	
				No of Equity Shares	Amount (Rs)
1.	Sub Division of 93150 Shares of Rs.100/ each into 10 Shares of Rs.10/ each vide B/R dated 17/08/1992	9,31,500	29.89	9,31,500	93,15,000
2.	Allotment of Shares pursuant to Right Issue vide B/R dated 07/07/1993	23,28,750	74.73	32,60,250	3,26,02,500

Sl No	Date of the Board resolution authorizing allotment	No. of Equity shares issued	% of Equity shares issued	Cumulative Equity Share Capital	
				No of Equity Shares	Amount (Rs)
3.	Buyback of 144232 equity shares of Rs 10/- each fully paid up vide B/R dated 14.08.2018 and extinguished on 26.11.2018	1,44,232 Decrease	(4.62)	31,16,018	3,11,60,180

14.5 The Company is currently listed only on BSE. The shares of the Company were listed on BSE w.e.f. 03.12.1993

14.6 The details regarding the Board of Directors as on the date of Publication of Public Announcement i.e. March 18, 2019:

S.NO	NAME, AGE AND DIN	DESIGNATION	QUALIFICATION AND OCCUPATION	DATE OF APPOINTMENT /RE-APPOINTMENT	OTHER DIRECTORSHIP IN INDIAN COMPANIES
1.	Dr. Ashutosh Pratap Singh 59 Years 05354321	Chairman, an Independent Director	M. B. B. S.	14-08-2012	NIL
2.	Mr. Saleem Iqbal Shervani 65 Years 00023909	Managing Director	B. A.(Hons) & AMIMA	03-04-1998	Capon Food Specialities Ltd. Farco Foods Pvt. Ltd. Shervani Foods Pvt. Ltd. ATB Cargo Pvt. Ltd.
3.	Mr. Tahir Hasan 72 Years 00074282	Whole time Director	B. E. (Mech) & PGDM	14-08-2014	Isgec Heavy Engineering Ltd. Saraswati Sugar Mills Ltd. Shervani Hospitalities Ltd. Tara Products & Services Pvt. Ltd. Uttar Pradesh Cricket Association.
4.	Mr. Azher Nisar Shervani 71 Years 00424635	Director	B. Com	31-10-2000	Red Leaf Estates Pvt. Ltd. Shervani Enterprises Pvt. Ltd. Shervani Hospitalities Ltd.
5.	Mr. Saeed Mustafa Shervani 59 Years 00024390	Director	Diploma in Hotel Management	09-01-1986	Hotel and Restaurant Association of Northern India. Sherans Infrastructures Pvt. Ltd. Shervani Hospitalities Ltd.
6.	Mr. Kush Bhargava 66 Years 00074004	Independent Director	M. A.	11-07-1981	K B Builders Pvt. Ltd.
7.	Mr. G. S. Chaturvedi 68 Years 00148434	Independent Director	B. Sc., L. LB.	12-01-2000	NIL
8.	Mr. Raju Verghese 71 Years 01086812	Director	B. Sc.	27-01-2007	Capon Food Specialities Limited. Reed Finance Pvt. Ltd.
9.	Mr. Md. Aslam Sayeed 64 Years 06652348	Independent Director	B. A.; LL. B	06-08-2013	Farco Foods Pvt. Ltd- Nominee Director
10.	Mrs. Shefali Bansal 62 Years 07090579	Director	B. A.	09-02-2015	NIL

14.7 The following changes have taken place in the Board of Directors of the Company during the last three years:

Sr No.	Name	Appointment/Cessation /Re-appointment/ Change in Designation	Effective Date	Reasons
1.	Mr. Saleem Iqbal Shervani	Managing Director	18.01.2018	Re-appointment

14.8 The Buyback will not result in any benefit to any Director or Promoter of the Company except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Shares which will lead to a reduction in the Share capital after the completion of the Buyback.

15 FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The Company has prepared its audited standalone and consolidated financial statements for the financial year ended March 31, 2018, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act and the guidance notes issued by the Institute of Chartered Accountants of India.

15.2 The salient features of the financial information of the Company as extracted from the **standalone** audited financial statements of the Company for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and Unaudited Limited Review Financial Results for the six months period ended September 30, 2018 are set out below:

[In Rs. Lakhs]

Key Financials	Limited Review for the 6 months period ended 30.09.2018 (Unaudited Figures)	Year ended 31 March, 2018 (Audited figures)	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)
Revenue from Operations	1002.00	11303.11	4175.65	2837.19
Other Income	204.00	150.04	166.55	106.58
Total Revenue	1206.00	11453.15	4342.20	2943.77
Expenses				
Construction /Development Expenses-Real Estate	1482.00	1954.00	961.99	1101.48
Changes in Inventories of Finished goods, Stock in Trade and Work in Progress	(994.00)	4286.02	1830.40	1299.30
Employee Benefit expense	69.00	195.22	95.50	92.80
Finance Cost	11.00	9.08	19.88	50.77
Depreciation and Amortization	28.00	40.00	29.19	29.41
Selling Expense	13	-		
Other expenses	135.00	333.65*	255.75*	338.54*
Total Expenses	744.00	6817.77	3192.72	2912.30
Profit/ (Loss) before Exceptional Items& Tax Expenses	462.00	4635.38	1149.49	31.48
Exceptional Items	0	0	352.84	78.61
Profit/(Loss) before Tax	462.00	4635.38	1502.33	110.09
Tax Expenses (including Deferred tax)	0**	906.54	(1.36)	13.35
Net Profit/(Loss) for the period	462.00	3728.84	1503.69	96.74
Other Comprehensive income / (Loss) (net of tax)	(67.00)	43.49	12.92	0
Total Comprehensive Income /(Loss) (after Tax)	395.00	3772.33	1516.61	96.74
Paid Up Share Capital (Face Value Rs.10/-)	313.60	313.60	328.03	328.03
Reserve and Surplus (excluding Capital Reserve and Revaluation Reserve)	5533	8161.56	4917.12	3413.43
Net Worth	5846.60	8475.16	5245.15	3741.46
Total debt ^s	781.00	682.46	100.54	791.74

* Other expenses includes the selling expenses

**As per the Unaudited Standalone Limited Review Report

[In Rs. Lakhs]

\$ Total Debt	Limited Review for the 6 months period ended 30.09.2018 (Unaudited Figures)	Year ended 31 March, 2018 (Audited figures)	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)
Long Term Borrowing	151.00	129.54	6.74	10.88
Short Term Borrowing	580.00	513.80	89.66	649.68
Current Maturities of long Term Borrowing	50.00	38.75	4.14	14.12
Temporary Book Overdraft	-	0.37	0.00	117.06
Total	781.00	682.46	100.54	791.74

Total Debt comprises of long term borrowings, short term borrowings and current maturities of term loan.

The financial ratios of the Company as extracted from the standalone audited financial statements of the Company for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and Unaudited Limited Review Financial Results for the six months period ended September 30, 2018 is set out below:

Key Ratios	Limited Review for the 6 months period ended 30.09.2018 (Unaudited Figures)	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016
Basic Earnings per share	12.58*	118.90	45.84	2.95
Diluted Earnings per share	12.58*	118.90	45.84	2.95
Book value per equity share	186.43	271.99	160.89	114.77
Return on Net worth (%)	15.8^	44.51%	28.91%	2.59%
Debt/ Equity Ratio	0.13	0.081	0.019	0.212

*Not annualized

^ Profit has been annualized

15.3 The salient features of the financial information of the Company as extracted from the **Consolidated** audited financial statements of the Company for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 are set out below:

[In Rs. Lakhs]

Key Financials	Year ended 31 March, 2018 (Audited figures)	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)
Revenue from operations	11690.10	4608.19	3171.99
Other income	169.67	180.86	119.24
Total Revenue	11859.77	4789.06	3291.23
Construction/Development Expenses- Real Estate	1953.99	961.99	1101.48
(Increase) /Decrease in Inventories	4286.01	1830.40	1299.29
Employees Benefits expense	328.95	227.96	210.65
Finance Cost	9.08	19.88	50.77
Depreciation and Amortization	48.06	42.46	42.76
Other expenses	559.00*	499.26*	510.97*
Total Expenditure	7185.12	3581.95	3215.92
P/L before Exceptional Items & tax	4674.65	1207.11	75.31
Exceptional Items	0.00	352.84	78.61
P/L after Exceptional Items	4674.65	1559.95	153.92
Share of Profit/ Loss of Associate Companies	10.89	16.54	33.97
Profit before Tax	4685.55	1576.49	187.88
Tax Expenses			
Current Tax	900.66	0	8.85
MAT credit entitlement (net off written off)		0.00	4.52
Earlier Tax Adjustment	4.06	(1.36)	(0.017)
Deferred Tax Credit	15.80	(8.69)	0.00
P/L after tax	3,765.00	1586.53	174.54

Other comprehensive Income	43.49	12.91	0.00
Total Comprehensive Income for the year	3808.50	1599.45	0.00
Paid up share capital	313.60	328.03	328.03
Reserves & surplus (excluding Capital Reserve and Revaluation Reserve)	8009.76	4730.79	3442.61
Net worth	8323.36	5058.82	3770.64
Total Debt \$	682.47	100.55	791.76

* Other expenses includes the selling expenses.

\$ Total Debt	Year ended 31 March, 2018 (Audited figures)	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)
Long Term Borrowing	129.54	6.74	10.88
Short Term Borrowing	513.80	89.67	649.68
Current Maturities of long Term Borrowing	38.76	4.14	4.14
Temporary Book Overdraft	0.37	0.00	117.06
Total	682.47	100.55	10.88

The financial ratios of the Company as extracted from the Consolidated audited financial statements of the Company for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 is set out below:

[In Rs. Lakhs]

Key Ratios	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016
Basic Earnings per share	120.06	48.37	5.32
Diluted Earnings per share	120.06	48.37	5.32
Book value per equity share	267.12	155.12	115.66
Return on Net worth (%)	45.23	31.36	4.63%
Debt/ Equity Ratio	0.08	0.02	0.21

The key financial ratios mentioned herein above have been computed as under:

Net worth	Equity Share Capital + Reserves & Surplus (excluding Capital Reserve and Revaluation Reserve)
Earnings Per Share (Basic)	Profit / (Loss) for the period Attributable to Equity Shareholders / Weighted Number of Equity Shares outstanding
Earnings Per Share (Diluted)	Profit / (Loss) for the period Attributable to Equity Shareholders / Weighted Number of Equity Shares outstanding
Book Value per share	Net worth / Number of Equity Shares outstanding at year end
Debt-Equity Ratio	Total Debt/ Net Worth
Return on Net Worth (%)	Profit / (Loss) for the period / Net worth

15.4 The Company confirms that it will comply with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 if applicable.

15.5 The Company confirms that it has complied with the provisions of Sections 68, 69, 70, 110 and all other provisions of the Companies Act, as may be applicable to the Buyback.

16 STOCK MARKET DATA

16.1 The Equity Shares of the Company are currently listed and traded only on the BSE.

16.2 The closing market price of the shares in the last three completed calendar years (Jan to December period) preceding the date of the Public Announcement on the Stock Exchange is set out below:

Year	High			Low			Average	
	High (Rs.)	Date of High	No. of shares traded	Low (Rs.)	Date of Low	No. of shares traded	Average (Rs.)	No. of shares traded in that period
2018	1195	13.08.2018	9961	532	07.02.2018	4130	777.40	206148
2017	497.60	07.12.2017	8348	123.1	15.02.2017	353	202.35	601993
2016	169	15.12.2016	351	95	05.02.2016	6	130.84	18771

16.3 The monthly closing market prices during the six months preceding the date of the Public Announcement and number of shares traded on the Stock Exchanges is set out below:

Month	High			Low			Average	
	High (Rs.)	Date of High	No. of shares traded	Low (Rs.)	Date of Low	No. of shares traded	Average (Rs.)	No. of shares traded
September-2018	1000	03.09.2018	461	675.10	21.09.2018	574	860.67	9569
October-2018	907	29.10.2018	247	651.10	19.10.2018	454	776.59	7208
November- 2018	859.95	12.11.2018	642	590.00	26.11.2018	2390	704.50	12059
December-2018	700	07.12.2018	352	580	26.12.2018	1358	618.10	8724
January- 2019	825	02.01.2019	7125	625.05	25.01.2019	566	744.91	28392
February-2019	819	01.02.2019	3577	525	26.02.2019	1448	643.54	15829
March-2019	680	12.03.2019	1946	545.55	01.03.2019	1423	600.64	12094

* includes the trading details for the period from 01.03.2019 to 15.03.2019 being the date immediately preceding the trading day of the publication of public announcement.

(Source: www.bseindia.com)

16.4 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to BSE on 25.01.2019. The Board, at its meeting held on 30.01.2019, subject to the approval of shareholders of the company through postal ballot the results of which was declared on 15.03.2019, approved the proposal for the Buyback at a price of Rs. 500/- (Rupees Five Hundred Only) per Share and the intimation was sent to BSE on the same day. The closing market price of the Shares on BSE, during this period, are summarised below.

Event	Date	Share Price at BSE			
		Open	High	Low	Close
Notice of the Board Meeting convened to consider the proposal of the Buy Back	25.01.2019	640.05	659.40	625.05	629.50
1 Trading Day Post-Notice of Board Meeting	28.01.2019	650.00	650.00	626.10	642.90
1 Trading Day Prior to Board Meeting	29.01.2019	630.05	675.00	630.05	648.65
Board Meeting Date	30.01.2019	674.70	674.70	638.10	641.25
1 Trading Day Post-Board Meeting	31.01.2019	706.00	769.50	706.00	769.50
Date of Publication of Public Announcement	18.03.2019	649.00	649.95	615.00	623.35

17 DETAILS OF THE STATUTORY APPROVALS

17.1 The Buyback Offer is subject to approval, if any required under the provisions of the Companies Act, the Buyback Regulations and/or such other applicable rules and regulations for the time being in force.

17.2 The Buyback of Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI, as may be required. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

17.3 As on date, there is no other statutory or regulatory approval required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approval, changes to the proposed schedule of activities of the Buyback Offer, if any, shall be intimated to BSE.

18 THE DETAILS OF THE REGISTRAR TO THE BUYBACK

18.1 Eligible Shareholders holding equity shares, who wish to tender their Shares in the Buyback can send either themselves or through Seller Member by registered post or courier or hand deliver the Tender Form, TRS generated by the exchange bidding system upon placing of Bid along with all relevant documents by superscribing the envelope as “**Shervani Industrial Syndicate Limited Buyback Offer 2019**”, to the Registrar to the Buyback at their office address as set out below, so that the same are received not later than 2 (two) days from the closure of the Tender period i.e. [•] (by 5 p.m.):

LINK INTIME (INDIA) PRIVATE LIMITED

CIN: U67190MH1999PTC118368

SEBI REG. NO. INR000004058

Validity Period: Permanent

C-101, 247 Park, L.B.S. Marg Vikhroli (West) Mumbai -400 083

Phone No: +91 22 49186200

Fax: +91 22 49186195

(Contact Person: Mr. Sumeet Deshpande)

Email: sisl.buyback2019@linkintime.co.in

Website: www.linkintime.co.in

In case of any query, the shareholders may contact the Registrar on any day except holidays between 10.00 a.m. and 5.00 p.m.

ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUIRED TO GET THEIR SHARES DEMATERIALIZED BEFORE TENDERING THEIR EQUITY SHARES IN THE BUYBACK.

19 PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to Buyback up to 4,15,000 (Four Lakhs Fifteen Thousand) Equity Shares representing 13.32% of the total number of equity shares in the total paid-up equity share capital of the Company as per the Audited Financial Statements of the Company as on March 31, 2018, at a price of Rs. 500/- (Rupees Five Hundred Only) per share payable in cash for an aggregate consideration not exceeding Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only) (excluding Company's transaction cost such as brokerage, securities transaction tax, goods and service tax, stamp duty, filing fees, advisors' fees etc.) representing 24.49% and 24.94% of the fully paid-up equity share capital and free reserves as per the Standalone and Consolidated Audited Financials of the Company for the financial year ended March 31, 2018 respectively (which is within the limit of 25% of the fully paid-up equity share capital and free reserves as per the Standalone as well as Consolidated Audited Financials of the Company for the financial year ended March 31, 2018), from the shareholders on a proportionate basis through the Tender Offer route, in accordance with Article 5A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Act, the relevant rules framed thereunder including the Share Capital Rules, to the extent applicable, and the Buyback Regulations. The Buyback is subject to the receipt of approvals, permissions and sanctions as may be required, including but not limited to SEBI, Stock Exchanges, RBI etc.

THE COMPANY EXPRESSES NO OPINION AS TO WHETHER SHAREHOLDERS SHOULD PARTICIPATE IN THE BUYBACK AND ACCORDINGLY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN ADVISORS TO CONSIDER PARTICIPATION IN THE BUYBACK.

19.2 The shareholding of the Promoter and Promoter Group as of the date of the Public Announcement is 1963040 (Nineteen Lakhs Sixty Three Thousand and Forty) Equity Shares which represents 63.00% of the existing total paid-up share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated 30.01.2019 to participate in the Buyback to the extent of their entire shareholding in the Company or any such lower number of shares as required in compliance with the Buyback Regulations.

19.3 Assuming acceptance of all Shares tendered in the Buyback from the Eligible Shareholders up to their respective Buyback Entitlement, the shareholding of the Promoter and Promoter Group after the completion of the Buyback will increase /decrease to [*]% of the post-Buyback total paid-up equity share capital of the Company.

19.4 Record Date and Ratio of Buy Back as per the Buy Back Entitlement in each Category:

- i. The Company has fixed Friday, March 29, 2019 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback.
- ii. The Shares to be bought back pursuant to the Buyback are divided into 2 (two) categories:
 - i. Reserved category for Small Shareholders (“Reserved Category”); and
 - ii. General category for all other Eligible Shareholders (“General Category”).
- iii. As defined in the Buyback Regulations, a “Small Shareholder” is an Eligible Shareholder who holds Shares having market value, on the basis of closing price on BSE, of not more than Rs. 2,00,000 (Rupees Two Lakh Only). As on the Record Date the closing price on BSE was Rs. [•] per Share. Accordingly all Eligible Shareholders holding not more than [•] Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.
- iv. Based on the aforementioned definition, there are [•] Small Shareholders of the Company with an aggregate shareholding of [•] Shares as on the Record Date, which constitutes [•]% of the total paid-up share capital of the Company and [•]% of the maximum number of Shares which are proposed to be bought back as part of this Buyback.
- v. In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be the higher of:
 - i. 15% of the number of Shares which the Company proposes to Buyback i.e. 15% of 4,15,000 (Four Lakhs Fifteen Thousand) Shares which is 62,250 (Sixty Two Thousand Two Hundred and Fifty) Shares; or
 - ii. The number of Shares entitled as per their shareholding as on the Record Date (i.e. $([•] / [•]) \times [•]$) which is [•] Shares.
- vi. All Outstanding Shares as held by the shareholders have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intend to participate in the Buyback.
- vii. Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, [•] Shares have been reserved for the Small Shareholders (“**Reserved Portion**”) and accordingly, the General Category for all other Eligible Shareholders shall consist of [•] Shares (“**General Portion**”).
- viii. Based on the above Buyback Entitlements, the ratio of Buyback for both categories is set out below:

Category of Eligible Shareholder	Ratio of Buyback (i.e. Buy Back Entitlement)
Reserved category for Small Shareholders	[•] Shares for every [•] Shares held as on the Record Date
General category for all other Eligible Shareholders	[•] Shares for every [•] Shares held as on the Record Date

**The above ratio of Buyback is approximate and provides indicative Buyback Entitlement. Any computation of the entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is [•]% and General Category for all other Eligible Shareholder is [•]%.*

19.5 Fractional Entitlements

- a. If the Buyback Entitlement under the Buyback, after applying the abovementioned ratios to the Shares held on Record Date is not in the multiple of one Share, then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Shares in the Buyback for both categories of Eligible Shareholders.
- b. On account of ignoring the fractional entitlement, those Small Shareholders who hold [•] or less Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders may tender Additional Shares as part of the Buyback and will be given preference in the Acceptance of one Share, if such Small Shareholders have tendered Additional Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

19.6 Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders

Subject to the provisions contained in the Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- a. Acceptance of 100% Shares from Small Shareholders in the Reserved Category, who have validly tendered their Shares to the extent of their Buyback Entitlement or the number of Shares tendered by them, whichever is less.

- b. After the acceptance as described in Paragraph (19.6(a)) above, in case there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Share (on account of fractional entitlement), and have tendered Additional Shares as part of the Buyback, shall be given preference and one Share each from such Additional Shares shall be bought back in the Reserved Category.
- c. After the acceptance as described in Paragraph (19.6(b)) above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buyback Regulations. Valid Acceptances per Small Shareholder shall be equal to the Additional Shares validly tendered by the Small Shareholder divided by the total Additional Shares validly tendered and multiplied by the total pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with the Paragraph (19.6(b)), shall be reduced by one.
- d. **Adjustment for fractional results in case of proportionate Acceptance, as described above:**
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.7 Basis of Acceptance of Shares validly tendered in the General Category

Subject to the provisions contained in the Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback by all other Eligible Shareholders in the General Category in the following order of priority:

- a. Acceptance of 100% Shares from other Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buy Back Entitlement, or the number of Shares tendered by them, whichever is less.
- b. After the Acceptance as described in Paragraph 19.7(a) above, in case there are any Shares left to be bought back in the General Category, the Additional Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Eligible Shareholders divided by the total Additional Shares validly tendered in the General Category and multiplied by the total pending number of Shares to be Accepted in General Category.
- c. **Adjustment for fractional results in case of proportionate acceptance as described above:**
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.8 Basis of Acceptance of Shares between categories

- a. In the event the Shares tendered by the Small Shareholders in accordance with the process set out under Paragraph 19.6 (*Basis of Acceptance of Shares validly tendered in the Reserved Category*) of the Draft Letter of Offer is less than the Reserved Portion, Additional Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall be accepted in proportion of the Additional Shares tendered by them in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Shares validly tendered in the General Category and multiplied by the Additional Shares that can be accepted due to shortfall in the Reserved Portion.

- b. In the event the Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under Paragraph 19.7 (*Basis of Acceptance of Shares validly tendered in the General Category*) of the Draft Letter of Offer is less than the General Portion, Additional Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Shares tendered by them, in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Shares validly tendered in the Reserved Category and multiplied by the Additional Shares that can be accepted due to shortfall in the General Portion.
- c. A Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Share before Acceptance, as mentioned above, out of the Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled "Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders".

19.9 Adjustment for fractional results in case of proportionate Acceptance, as described above:

- a. For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- b. For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.
- c. In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board (which includes Committee thereof) or any person(s) authorised by the Board will have the authority to decide such final allocation with respect to such rounding-off or any excess of Shares or any shortage of Shares after allocation of Shares as set out in the process described in paragraphs above.

19.10 Miscellaneous

For avoidance of doubt, it is clarified that:

- a. The Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with the paragraphs above, shall not exceed the number of Shares tendered by the respective Eligible Shareholder;
- b. The Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with the paragraphs above, shall not exceed the number of Shares held by respective Eligible Shareholder as on the Record Date; and
- c. The Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

19.11 Clubbing of entitlements

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of shareholders holding Physical Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/ trusts, insurance companies, foreign institutional investors/ foreign portfolio investors etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body – broker" as per the beneficial position data as

on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20 PROCEDURE FOR TENDER / OFFER AND SETTLEMENT

20.1 THE BUYBACK IS OPEN TO ALL ELIGIBLE SHAREHOLDERS HOLDING SHARES EITHER IN PHYSICAL FORM AND/OR DEMATERIALIZED FORM AS ON RECORD DATE. HOWEVER, PURSUANT TO THE LODR AMENDMENT (AS DEFINED IN PARAGRAPH 20.21.1 BELOW), THE ELIGIBLE SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ARE REQUIRED TO GET THEIR SHARES DEMATERIALIZED BEFORE TENDERING THEIR EQUITY SHARES IN THE BUYBACK. THE COMPANY PROPOSES TO EFFECT THE BUYBACK THROUGH A TENDER OFFER ROUTE, ON A PROPORTIONATE BASIS. THE LETTER OF OFFER AND TENDER FORM, OUTLINING THE TERMS OF THE BUYBACK AS WELL AS THE DETAILED DISCLOSURES AS SPECIFIED IN THE BUYBACK REGULATIONS, WILL BE MAILED/ DISPATCHED TO THE ELIGIBLE SHAREHOLDERS.

The Eligible Shareholder(s) which have registered their Email IDs with the depositories / the Company, shall dispatch the Letter of Offer through electronic means. The Eligible Shareholder(s) who have not registered their Email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in Paragraph 20.9.

20.2 The Company will not accept any Share offered in the Buyback which is under any restraint order of a court for transfer/sale of such Share. In accordance with Regulation 24(v) of the Buy Back Regulations, the Company shall not Buyback locked-in Shares and non-transferable Shares until the pendency of the lock-in or until such Shares become transferable. The Company shall accept all the Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.

20.3 Eligible Shareholders will have to transfer their Shares from the same demat account in which they were holding such Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback.

20.4 As disclosed in Paragraph 19 (Process and Methodology for the Buyback) above, the Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories viz. (i) Reserved Category for Small Shareholders (ii) the General Category for other Eligible Shareholders and the Buyback Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.

20.5 After accepting the Shares tendered on the basis of Buyback Entitlement, Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.

20.6 Eligible Shareholders' participation in the Buyback is voluntary. Eligible Shareholders may choose to participate, in part or in full, and receive cash in lieu of the Shares accepted under the Buyback, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders may also tender a part of their Buyback Entitlement. Eligible Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of procedure outlined herein.

20.7 The maximum tender of Shares under the Buyback by any Eligible Shareholder cannot exceed the number of Shares held by such Eligible Shareholder as on the Record Date.

20.8 The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchanges" pursuant to the SEBI Circulars, and following the procedure prescribed in the Companies Act, the Buyback Regulations and on such terms and conditions as may be permitted by law from time to time.

THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.

20.9 In case of non-receipt of the Letter of Offer and the Tender Form:

If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. www.ixindia.com or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.

20.10 Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Selling Member(s) (along with the complete set of documents for verification procedures in case of Shares held in physical form) and have to ensure that their bid is entered by their respective Selling Member(s) in the electronic platform to be made available by BSE before the Buyback Closing Date.

20.11 The Company shall accept Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the “plain paper” option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

20.12 The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.13 For implementation of the Buyback, the Company has appointed JRK Stock Broking Pvt. Ltd. as the registered broker of the Company (the “**Company’s Broker**”) to facilitate the process of tendering of Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Brokers are as follows:

Name: **JRK Stock Broking Pvt Ltd**

Address: Tobacco House, 1 Old Court House Corner, 3rd Floor, Room No 301, Kolkata – 700 001.

Tel No. 033-40174777, Fax No. 033-40174700, Email Id: info@jrkgroup.in

Contact Person: Mr. Birendra Kumar Jain

SEBI Registration No.: INZ000194836

CIN: U67110WB2007PTC117267

20.14 BSE will be appointed as the “**Designated Stock Exchange**” to provide a separate “**Acquisition Window**” to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Shares in the Buyback. The details of the platform will be as specified by BSE, from time to time. All eligible shareholders may place orders in the Acquisition window of BSE, through their respective stock brokers (“Shareholder Broker”).

20.15 In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law) (For more details please refer to paragraph 20.23). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company’s Broker, viz. **JRK Stock Broking Pvt Ltd**, to register himself by using quick UCC facility.

20.16 All Eligible Shareholders, through their respective Selling Member(s) will be eligible and responsible to place orders in the Acquisition Window. All Eligible Shareholders can enter orders for Shares in demat form as well as Shares in physical form.

20.17 During the Tendering Period, the order for selling the Shares shall be placed by the Eligible Shareholders through their respective Selling Member(s) during normal trading hours of the secondary market.

20.18 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.

- 20.19 The cumulative quantity tendered shall be made available on BSE website (www.bseindia.com) throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.
- 20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.21 **Procedure to be followed by Eligible Shareholders holding Shares in dematerialized form:**
- 20.21.1 Eligible Shareholders who desire to tender their Shares in the electronic form under the Buyback would have to do so through their respective Selling Member(s) by indicating to such Selling Member(s) the details of Shares they intend to tender under the Buyback.
- 20.21.2 The Selling Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender Shares in the Buyback using the Acquisition Window of BSE. Before placing the bid, the Eligible Shareholder would need to transfer the tendered Shares into the account of Indian Clearing Corporation Limited (referred to as the “**Clearing Corporation**”/ “**ICCL**”) through the early pay-in mechanism of the Depositories prior to placing the order/bid on the BSE’s IBBS platform by the Selling Member. For further details, Eligible Shareholders may refer to the circulars issued by BSE/Clearing Corporation.
- 20.21.3 The details of the settlement number under which the Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by the Clearing Corporation.
- 20.21.4 For custodian participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closure of the trading hours on the last day of the Tendering period i.e., date of closing of the Buyback Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Selling Member shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 20.21.5 Upon placing the bid, the Selling Member shall provide a TRS generated by the BSE’s bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as Bid ID No., Application No., DP ID, Client ID, number of Shares tendered etc.
- 20.21.6 In case of demat Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Shares in demat form.
- 20.21.7 The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Shares due to rejection or any other reason. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- 20.21.8 Modification and cancellation of the orders will be allowed during the tendering period of the Buyback.
- 20.21.9 The Cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 20.22 **Procedure to be followed by Eligible Shareholders holding Shares in physical form:**
- 20.22.1. **ALL EQUITY SHAREHOLDERS HOLDING THE EQUITY SHARES IN THE PHYSICAL FORM SHALL NOTE THAT IN ACCORDANCE WITH THE PROVISIO TO REGULATION 40(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (NOTIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (FOURTH AMENDMENT) REGULATIONS, 2018), EFFECTIVE FROM APRIL 1, 2019, TRANSFERS OF SECURITIES SHALL NOT BE PROCESSED UNLESS THE SECURITIES ARE HELD IN THE DEMATERIALIZED FORM WITH A DEPOSITORY (“LODR AMENDMENT”). GIVEN THAT THE SETTLEMENT OF EQUITY SHARES WILL HAPPEN POST THE EFFECTIVE DATE OF LODR AMENDMENT, I.E. APRIL 1, 2019, THE COMPANY SHALL NOT BE ABLE TO ACCEPT THE EQUITY SHARES TENDERED IN PHYSICAL FORM. ACCORDINGLY, THE ELIGIBLE SHAREHOLDERS ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED BEFORE TENDERING THEIR EQUITY SHARES IN THE BUYBACK.**

20.22.2. IN CASE ANY PERSON HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALISATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF GETTING THE EQUITY SHARES DEMATERIALISED IS COMPLETED BEFORE SUCH ELIGIBLE SHAREHOLDERS TENDER THEIR EQUITY SHARES IN THE BUYBACK, SO THAT THEY CAN PARTICIPATE IN THE BUYBACK OFFER.

20.22.3. However, should the acceptance of tendered shares be undertaken before the Physical Transfer Cut-off Date or if SEBI notifies further extension of the Physical Transfer Cut-off Date, the procedure for tendering to be followed by Eligible Shareholders holding Equity Shares in the Physical form is as detailed below:

20.22.3.1 Eligible Sellers who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including (i) the tender form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares (ii) original Equity Share certificate(s), (iii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the Eligible Shareholder's PAN card, (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

20.22.3.2 Based on these documents, the concerned Seller Member shall place an order/ bid on behalf of the Eligible Sellers holding physical Equity Shares who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the Exchange Bidding System to the shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

20.22.3.3 Any Seller Member/ Eligible Seller who places a bid for physical Equity Shares is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS either by registered post or courier or hand delivery to the Registrar and Transfer Agent ("RTA") (at the address mentioned at paragraph 9 below or the collection centers of the RTA details of which will be included in the Letter of Offer) not later than 2 (two) days of bidding by Seller Member. The envelope should be super scribed as "Shervani Industrial Syndicate Limited Buyback Offer 2019". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member/ Eligible Seller.

20.22.3.4 Eligible Sellers holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The RTA will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the RTA confirms the bids, it will be treated as 'Confirmed Bids'.

20.23 For equity shares held by Eligible sellers, being Non- Resident Shareholders of equity shares

- e. While tendering their Equity Shares under the Buyback Offer, all Non-Resident Equity Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all Shareholders in case the Equity Shares are held in joint names) Tender Forms. In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- f. FII/FPI Shareholders should also enclose a copy of their SEBI registration certificate. Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. OCBs are required to obtain and enclose RBI approval for tendering Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCBs/ NRIs in respect of whom such RBI approval is required and copies of such approvals are not submitted.

- g. Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, as also a copy of the self-certified declaration for non-existence of a permanent establishment should be submitted along with the Tender Form. A copy of the Tender Form must also be provided to the relevant Seller Broker.
- h. If the Non-Resident Shareholder requires the Seller Broker not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income-tax authorities, either under Section 195(3) or under Section 197 of the Income Tax Act, and submit this to Company and the Shareholders' Broker while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Shareholders' Broker shall deduct tax on gross consideration at the prescribed rate of tax.
- i. It is recommended that the Non-Resident Shareholders submit a copy of the PAN card along with the Tender Form as PAN verification is necessary for the Company and Shareholders' Broker to deduct taxes at the appropriate rate as well as to avoid queries regarding availability of tax credit on the TRACES website. In the absence of PAN, a different rate may be applicable as per the provisions of the Indian tax laws.
- j. Non-Resident Shareholders who have acquired Equity Shares of the Company under the approval route of the RBI and erstwhile OCBs are required to submit copies of earlier RBI approvals along with their respective Tender Forms.
- k. In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose the supporting documents. Such documents could include:
 - a copy of the permission received by them from RBI at the time of the original acquisition of Shares.
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for this was made by the Non-Resident Shareholder from the appropriate account as specified by RBI in its approval.
 - any other document which evidences reparability of sale proceeds in respect of the tendered Shares
- l. In case the Non-Resident Shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to an non-repatriation bank account or issuance of rupee demand draft.

20.24 Additional procedural requirements for Eligible Shareholders, whose stock broker are not registered with BSE

20.24.3 In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. **JRK Stock Broking Pvt Ltd**, to register himself by using quick UCC facility.

20.24.4 The public shareholder approaching the BSE registered broker with whom he does not have an account:

- l. In case of Public Shareholder being an individual
 - a. If Public Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:
 1. Central Know Your Client ("**CKYC**") form including Foreign Account Tax Compliance Act ("**FATCA**"), In Person Verification ("**IPV**"), Original Seen and Verified ("**OSV**") if applicable
 2. Know Your Client ("**KYC**") form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 3. Demat details for Equity Shares in demat mode (demat master /latest demat statement)
 - b. If Public Shareholder is not registered with KRA: Forms required:
 1. CKYC form including FATCA, IPV, OSV if applicable
 2. KRA form
 3. KYC form documents required (all documents self-attested):
 - Permanent Account Number ("**PAN**") card copy

- Address proof
 - Bank details (cancelled cheque)
4. Demat details for Equity Shares 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 of Public Shareholder, being a Hindu Undivided Family (“HUF”):

- a. If Public Shareholder is registered with KRA: Forms required:
1. CKYC form of karta including FATCA, IPV, OSV if applicable
 2. KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 3. Demat details for Equity Shares in demat mode (demat master /latest demat statement)

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

1. CKYC form of karta including FATCA, IPV, OSV if applicable
2. KRA form
3. KYC form documents required (all documents self-attested):
 - ii. PAN card copy of HUF & karta
 - iii. Address proof of HUF & karta
 - iv. HUF declaration
 - v. Bank details (cancelled cheque)
4. Demat details for Equity Shares 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 Individual and HUF:

a. If Public Shareholder is KRA registered: Form required:

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

b. If Public Shareholder is not KRA registered: Forms required:

1. KRA form
2. KYC form documents required (all documents certified true copy):
3. PAN card copy of company/ firm/trust
4. Address proof of company/ firm/trust
5. Bank details (cancelled cheque)
6. Demat details for Equity Shares in demat mode (demat master /latest demat statement)
7. FATCA, IPV, OSV if applicable
8. Latest list of directors/authorized signatories /partners/trustees
9. PAN card copies & address proof of directors/authorized signatories/ partners/trustees
10. Latest shareholding pattern
11. Board resolution/partnership declaration
12. Details of ultimate beneficial owner along with PAN card and address proof
13. Last 2 years financial statements
14. 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 the above-mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.25 Acceptance of orders

The Registrar to the Buyback shall provide details of order acceptance to Clearing Corporation within specified time lines.

20.26 Method of Settlement

- 20.26.1 Upon finalization of the basis of Acceptance as per the Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- 20.26.2 The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Shares in dematerialized form.
- 20.26.3 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 Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.
- 20.26.4 For the Eligible Shareholders holding Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 20.26.5 The Shares bought back in the dematerialized form would be transferred directly to the Demat escrow account of the Company provided it is indicated by the Company's Brokers or it will be transferred by the Company's Brokers to the Company Demat Escrow Account on receipt of the Shares from the clearing and settlement mechanism of the BSE.
- 20.26.6 Excess Shares or unaccepted Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.
- 20.26.7 The Seller Member would issue contract note for the Shares accepted under the Buyback. The Company's Brokers would also issue a contract note to the Company for the Shares accepted under the Buyback.
- 20.26.8 Shareholders who intend to participate in the Buyback should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Shareholder for tendering Shares in the Buyback (secondary market transaction). The Managers to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Shareholders
- 20.26.9 The Shares lying to the credit of the Company Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

20.27 Rejection Criteria

20.27.1 The Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds.

- i. For Eligible Shareholders holding shares in the dematerialized form if:
 - a. The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
 - b. If there is a name mismatch in the dematerialised account of the Shareholder and PAN.
- ii. For Eligible Shareholders holding Shares in the physical form if:
 - a. **THE ELIGIBLE SHAREHOLDERS ARE UNABLE TO GET THEIR EQUITY SHARES DEMATERIALIZED BEFORE TENDERING THEIR EQUITY SHARES IN THE BUYBACK.**

21. NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING 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 COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the ITA relating to treatment of income-tax in case of Buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

a. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:

- a. Shares held as investment (Income from transfer taxable under the head "Capital Gains").
- b. Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains from Business or Profession").

b. Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:

- **Resident Shareholders being:**
 - Individuals, HUF, AOP and BOI
 - Others
- **Non- Resident shareholders being:**
 - NRIs
 - FIIs
 - Others:
- Company;
- other than Company

21.2 SHARES HELD AS INVESTMENT

- a. For Non-Residents, taxability of Capital Gains would be subject to beneficial provisions of applicable DTAA.
- b. The taxability as per the provisions of the Income Tax Act is discussed below.

PERIOD OF HOLDING

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the Capital Gains are short term or long term in nature:

- i. Where a capital asset, being listed equity shares of the company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short term capital asset, and the gains arising therefrom shall be taxable as short term capital gains (STCG).

- ii. Similarly, where the listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long- term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- iii. Capital Gains on Buyback of shares are governed by the provision of Section 46A of the Income Tax Act. As per the provisions of Section 46A, Buyback of shares held as Investment, would attract capital gains in the hands of shareholders as per the provisions of Section 48 of the Income Tax Act.

Buyback of Shares through a Recognized Stock Exchange

Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security

The taxability of buyback proceeds in the hands of the eligible shareholder should be as under:

- i. The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after April 1, 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
- ii. The gain accrued on such equity shares till January 31, 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before February 1, 2018 shall be the higher of the following:
 - a. Actual cost of acquisition
 - b. Lower of –
 - Fair Market Value
 - Full value of consideration received or accruing as a result of the transfer of the shares

Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on January 31, 2018.

- iii. After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding ₹100,000, will be taxable at 10% without allowing the benefit of indexation

However, section 112A of the ITA shall not apply if such equity shares were acquired on or after 1st October 2004 and STT (‘STT under Chapter VII of the Finance (No. 2) Act, 2004’) was not paid. In this regard, the Central Government has issued a notification dated October 1, 2018 providing certain situations wherein section 112A of the ITA will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations

- a. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on a recognized stock exchange of India, was made through a preferential issue, subject to certain exceptions.
- b. Where transaction for acquisition of existing listed equity share in a company was not entered through a recognised stock exchange of India, subject to certain exceptions;
- c. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from a recognised stock exchange and ending on the date on which the company was again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and any rules made there under.
- d. Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident shareholder, an option is available to pay tax on such LTCG at either 20% with indexation or 10% without indexation.
- e. STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the ITA. Unlike in the case of LTCG, no amendment has been made that requires payment of STT at the time equity shares are acquired for eligibility of the concessional rate of 15% on STCG.
- f. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112A or 111A of the ITA. In addition to the above LTCG or STCG tax, Surcharge, Health and Education Cess are leviable (Please refer to Note 7 for rate of surcharge and cess).

- g. MAT implications would get triggered in the hands of a resident corporate shareholder. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
- h. Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Income Tax Act.

21.3 SHARES HELD AS STOCK IN TRADE

- a. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

b. Resident Shareholders

- i. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- ii. Domestic Companies having turnover or gross receipts not exceeding Rs. 50 Crores in the previous year would be taxable @ 25%
- ii. For persons other than stated in (i) and (ii) above, profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, Surcharge Education Cess and Secondary and Higher Education Cess are leviable.

c. Non- Resident Shareholders

- i. For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA.
- ii. Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For foreign companies, profits would be taxed in India @ 40%
 - For other non-Resident shareholders, such as foreign firms, profit would be taxed @ 30%

In addition to the above, Surcharge Education Cess and Secondary and Higher Education Cess are leviable.

21.4 TAX DEDUCTION AT SOURCE

a. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

b. In case of Non- Resident Shareholders

Since the Buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorized dealers/ tax advisors appropriately.

21.5 THE TAX RATES AND OTHER PROVISIONS MAY UNDERGO CHANGES

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Part A of Schedule I to the Buyback Regulations, as under:

- i. The Board of directors confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institution or banks.
- ii. The Board of directors have confirmed on the date of the Board Meeting (i.e. January 30, 2019) that they have made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion:
 - a. That immediately following the date of the Board Meeting held on Wednesday, 30th January, 2019 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;

- b. That as regards the Company's prospects for the year immediately following the date of the board meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, approving the Buyback and having regards to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board'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 approving the Buyback as well as the year within a period of one year from the date on which the results of the Postal Ballot will be declared;
- c. In forming the 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 Insolvency and Bankruptcy Code, 2016, as applicable.

This declaration is made and issued pursuant to the resolution passed at the meeting of the Board held on January 30, 2019.

For and on behalf of the Board of Directors

Sd/-
Saleem Iqbal Shervani
Managing Director
DIN: 00023909

Sd/-
Tahir Hasan
Whole time Director and CFO
DIN: 00074282

23. AUDITORS CERTIFICATE

The text of the Report dated 30.01.2019 received from M/s. Gupta Vaish & Co (FRN: 005087C) the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

--"QUOTE"--

The Board of Directors

Shervani Industrial Syndicate Limited

Shervani Nagar, Sulem Sarai, Harwara,
Prayagraj (Allahabad) - 211011

Sub: Proposed Buyback Offer of Equity Shares of M/s. Shervani Industrial Syndicate Limited (the "Company")

Dear Sirs,

At the request of the Company, vide their letter dated 30th January, 2019, we being the Statutory Auditors of the Company, are providing the certificate on the proposed Buyback of Equity Shares of the Company. The Certificate is required for the purpose of inclusion of the same a) in the explanatory statement to be annexed to the notice for general meeting for authorizing buyback by passing a special resolution and b) in the Public Announcement and Letter of Offer for buyback of its share by the Company and for submission to the Securities and Exchange Board of India (SEBI) and other Regulatory Authorities.

1) We have been informed that the board of directors of the Company in their meeting held on 30th January, 2019 have decided to Buyback 4,15,000 (Four Lakhs Fifteen Thousand) equity shares under Section 68, 70(1) of the Companies Act, 2013, as amended from time to time (the "Companies Act") at a price of Rs. 500/- (Rupees Five Hundred Only) per share aggregating Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs Only). In terms of the requirements of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018 (hereinafter called the "Buyback Regulations") we confirm as under:

- a) We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2018.
- b) The amount of permissible capital payment towards Buyback of Equity Shares (including Premium) if any, as ascertained below in our view has been properly determined in accordance with Section 68(2) of the Companies Act, 2013.

Particulars	Standalone Amount (Rs. in Lakhs)	Consolidated Amount (Rs. in Lakhs)
Issued, Subscribed and Paid-up share capital as at	3,11,60,180.00 ^S	3,11,60,180.00 ^S

Particulars	Standalone Amount (Rs. in Lakhs)	Consolidated Amount (Rs. in Lakhs)
March 31, 2018* (A)		
Free reserves as at March 31, 2018 (B)		
General Reserve	50,46,86,305.00	50,46,86,305.00
Surplus in Statement of Profit & Loss	31,14,70,032.00	29,62,89,639.00
Total paid up capital and Free Reserves (A+B)	84,73,16,517.00	83,21,36,124.00
Maximum amount permissible for buy-back i.e. 25% of the total paid-up capital and free reserves. #	21,18,29,129.25	20,80,34,031.00

*Calculation in respect to Buyback is done on the basis of last available Standalone and Consolidated Audited Financials of the Company for the year ended March 31, 2018.

\$ Excluding Rs. 2,00,000 representing the value of deferred shares

It may be noted that as per the provisions of Section 68(2)(c) of the Act, in respect of Buyback of Equity shares in any Financial Year, the reference to 25% shall be construed with respect to the total paid up equity share capital in that financial year.

- 2) The opinion expressed by the directors of the Company in the Declaration as to any of the matters mentioned in the declaration as per Schedule I- Clause (x) of the rules is reasonable;
- 3) The Board of Directors of the Company is responsible for:
 - i. Properly determining the amount of capital payment for buyback;
 - ii. making a full enquiry into the affairs and prospects of the Company and forming the opinion that the Company will not be rendered insolvent within a period of one year from the date on which the results of the postal ballot for buyback will be declared.
- 4) Based on the representation made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 30th January, 2019 is unreasonable in the circumstances in the present context.
- 5) Compliance with the provisions of the Act and Rules is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on our review procedures. This report is intended solely for your information and for the purpose of inclusion of the same a) in the explanatory statement to be annexed to the notice for general meeting for authorizing buyback by passing a special resolution and b) in the Public Announcement and Letter of Offer for buyback of its share by the Company and is not to be used, referred or distributed for any other purpose without our written consent. Nothing contained in this report should be construed to be representation as to the future. We do not accept or assume any liability or duty of care for any other purpose, save where expressly agreed by our prior consent in writing.

For Gupta Vaish & Co
Chartered Accountants
Firm Registration No. 005087C
Sd/-

Rajendra Gupta
Membership No. 073250
Partner

Date: 30.01.2019
Place: Kanpur

---"UNQUOTE"

24. DOCUMENTS FOR INSPECTION

The copies of the following documents referred to hereunder are available for inspection by Eligible Shareholders of the Company at the registered office at Shervani Nagar, Sulem Sarai, Harwara, Prayagraj (Allahabad)- 211015 between 11 a.m. and 1 p.m. on any Working Day during the Tendering Period:

- a) Copy of Certificate of incorporation

- b) Memorandum and Articles of Association of the Company;
- c) Copy of Annual reports of the Company for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;
- d) Copy of Unaudited Standalone Limited Review Report for the quarter ended September 30, 2019;
- e) Certified true copy of the resolution passed by the Board of Directors in relation to the Buyback at their meeting held on January 30, 2019;
- f) Certified true copy of the resolution passed by the shareholders in relation to the Buyback the results of which were declared on March 15, 2019;
- g) Copy of the Auditor's Report dated 30.01.2019 received from Gupta Vaish & Co. Chartered Accountants, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- h) Public Announcement dated 15.03.2019 and published on 18.03.2019;
- i) Copy of Declaration of solvency and an affidavit as per Form SH-9 of the Share Capital Rules;
- j) Certificate dated 15.03.2019 issued by Gupta Vaish & Co, Chartered Accountant confirming that the Company has adequate funds for the purposes of the Buyback.
- k) Copy of Escrow Agreement dated [●], 2019 between the Company, Escrow Banker and Manager to Buyback Offer
- l) SEBI Comments vide observation letter dated [●]

25. DETAILS OF THE COMPLIANCE OFFICER

The details of the Compliance Officer are set out below.

Mr. S K Shukla
 Company Secretary & Compliance Officer
 Shervani Nagar, Sulem Sarai, Harwara, Prayagraj (Allahabad)- 211015
Tel: 91- 532-2102306; **Fax:** 91-532-2436928
Email: shervaniind@rediffmail.com; **Website:** www.shervaniind.com

Eligible Shareholders may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours 10:30 a.m. to 5:30 p.m. on all Working Days except Sunday and public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

- 26.1 In case of any grievances relating to the Buy Back (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the Eligible Shareholder can approach the Compliance Officer and/or the Manager to the Buyback and/or the Registrar to the Buyback for redressal.
- 26.2 If the Company makes any default in complying with the requirements under the Act or any rules made thereunder as may be applicable to the Buyback, the Company or any officer of the Company who is in default shall be liable in terms of the Act.
- 26.3 The address of the concerned office of the Registrar of Companies is as follows:
 Sh. Puneet Duggal (ROC Uttar Pradesh & Uttarakhand)
 37/17, Westcottt Buidling, The Mall,
 Kanpur-208001
 Phone: 0512-2310443, 2310227, 2310323

27. DETAILS OF INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar on any day except holidays between 10.00 a.m. and 5.00 p.m. at the following address:

LINK INTIME INDIA PRIVATE LIMITED

CIN: U67190MH1999PTC118368

SEBI REG. NO. INR000004058

C-101,247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400 083

Tel.: +91-22-49186200; Fax: +91-22-49186195

Contact Person: Mr. Sumeet Deshpande

Email: sisl.buyback2019@linkintime.co.in

Website: www.linkintime.co.in

28. MANAGER TO THE BUY BACK



VC CORPORATE ADVISORS PRIVATE LIMITED

CIN:U67120WB2005PTC106051

SEBI REGN. NO: INM000011096

31, Ganesh Chandra Avenue, (2nd Floor), Suite No. 2C, Kolkata – 700 013

Tel.: +91 33 2225 3940; Fax: +91 33 2225 3941

Contact Person: Mr. Anup Kumar Sharma

Email: mail@vccorporate.com

Website: www.vccorporate.com

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors accept full responsibility for all the information contained in this Draft Letter of Offer and confirm that the information in this Draft Letter of Offer is true, factual and does not contain any misleading information. This Draft Letter of Offer is issued under the authority of the Board of Directors and in terms of the resolution passed by the Board on January 30, 2019 and by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on Wednesday, March 21, 2019.

For and on behalf of the Board of Directors of SHERVANI INDUSTRIAL SYNDICATE LIMITED

Sd/-
Saleem Iqbal Shervani
Managing Director

DIN: 00023909

Sd/-
Mohd Aslam Saeed
Non Executive Independent
Director

DIN: 06652348

Sd/-
S K Shukla
Company Secretary and Compliance Officer

ACS : 53492

Date: 21.03.2019

Place: Prayagraj (Allahabad)

30. OFFER FORM

Annexure A - Tender Form (for all Eligible Shareholders).

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
(FOR ALL ELIGIBLE SHAREHOLDERS)**

Bid Number:
Date:

BUYBACK OPENS ON	[*], [*], 2019	
BUYBACK CLOSES ON	[*], [*], 2019	
For Registrar / Collection Centre use		
Inward No.	Date	Stamp
Status (please tick appropriate box)		
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI	<input type="checkbox"/> Insurance Co
<input type="checkbox"/> Foreign Co	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others (Specify)
India Tax Residency Status: Please tick appropriate box		
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of _____ (shareholder to fill country of residence)
Route of Investment (For NR Shareholders only): Please tick appropriate box		
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/>	<input type="checkbox"/> Foreign Investment Scheme

To,
Shervani Industrial Syndicate Limited,
C/o Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083.

Dear Sirs,

Sub: Letter of Offer dated [*], [*], 2019 for Buyback of upto 415,000 equity shares of Rs. 10/- each of Shervani Industrial Syndicate Limited at a price of Rs. 500/- per equity share.

- I / We (having read and understood the Letter of Offer) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorize the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us and are free from all liens, equitable interest, charges and encumbrance.
- 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 Buyback and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
- I / We irrevocably and unconditionally agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder, in case of joint holders.
- In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Indian Clearing Corporation Limited ("Clearing Corporation") and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholder.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of the Buyback Regulations and circulars issued by SEBI and notices issued by the designated stock exchange. .
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the to the Eligible Shareholder as per the provisions of the Buyback Regulations and circulars issued by SEBI and notices issued by the designated stock exchange.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- 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 Company to effect the Buyback in accordance with the Act and the Buyback Regulations.
- Eligible Shareholders holding shares in physical form are required to get their shares dematerialized before tendering their equity shares in the buyback.**
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (March 29, 2019)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares, if any)		

- Applicable for all Non-resident shareholders –
I/ We undertake to pay income taxes in India on any income arising on such Buyback and taxable in accordance with the prevailing income tax laws in India within 7th day of the succeeding month in which the Equity Shares are bought back by the Company.
I/ We also undertake to indemnify the Company against any income tax liability on any income earned by me/ us on such Buyback of Equity Shares.

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by Eligible Shareholder over and above his Buyback Entitlement shall be accepted in accordance with paragraph _____ and ___ of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

ACKNOWLEDGMENT SLIP: SHERVANI INDUSTRIAL SYNDICATE LIMITED – BUYBACK OFFER
(To be filled by the Equity Shareholder) (Subject to verification)

DP ID	Client ID
Received from Mr./Ms./Mrs.	
Form of Acceptance-cum-Acknowledgement, Original TRS along with:	
No. of Equity Shares offered for Buyback (In Figures)	(in words)
Please quote Client ID No. & DP No. for all future correspondence	Stamp of Broker

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

12. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

* Corporate must affix rubber stamp and sign under valid authority. The relevant authorisation should be enclosed with the application form submitted.

INSTRUCTIONS:

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

1. This Buyback will open on _____ and close on _____.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Eligible Shareholder who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating the details of Equity Shares they intend to tender in the Buyback.
4. The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name / PAN mismatch in the demat account of the Equity Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid; or (iv) the Eligible Shareholders holding Equity Shares in physical form are unable to get their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.
5. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
6. Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
7. For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to paragraph ___ of the Letter of Offer.
8. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
9. **The buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of shares in the special account of the Clearing Corporation and/or a non-receipt of valid bid in the exchange bidding system.**
10. Non-Resident Equity Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
11. By agreeing to participate in the Buyback the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
12. **The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.**

All capitalised terms shall have the meaning ascribed to them in the Letter of Offer.

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

**Investor Service Centre: Shervani Industrial Syndicate Limited - Buyback offer
Link Intime India Pvt. Ltd**

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083

Contact Person: Mr. Sumeet Deshpande

Tel: +91 22 – 49186200; Fax: +91 22 – 49186195; E-mail: sisl.buyback2019@linkintime.co.in; Website: www.linkintime.co.in;

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368