



SHARDA MOTOR INDUSTRIES LIMITED

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF SHARDA MOTOR INDUSTRIES LIMITED (HEREINAFTER REFERRED AS "THE COMPANY") FOR THE BUYBACK OF EQUITY SHARES ON A PROPORTIONATE BASIS THROUGH TENDER OFFER ROUTE USING STOCK EXCHANGE MECHANISM AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED FROM TIME TO TIME.

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This public announcement ("Public Announcement"/"PA") is being made pursuant to Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations"), for the time being in force including any statutory modifications and amendments from time to time, in relation to the buyback of fully paid-up equity shares, having a face value of INR 2/- (Indian Rupees Two) each ("Equity Shares"), by Sharda Motor Industries Limited ("Company") from the shareholders/beneficial owners of the Company through the tender offer route using the stock exchange mechanism in accordance with Securities and Exchange Board of India ("SEBI") circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any further amendments thereof ("SEBI Circulars"), and contains the disclosures as specified in Schedule II to the Buyback Regulations.

OFFER TO BUYBACK UP TO 10,27,777 (TEN LAKH TWENTY SEVEN THOUSAND SEVEN HUNDRED AND SEVENTY SEVEN ONLY) EQUITY SHARES AT A PRICE OF INR 1,800/- (INDIAN RUPEES ONE THOUSAND AND EIGHT HUNDRED ONLY) PER EQUITY SHARE, PAYABLE IN CASH, ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM.

Certain figures contained in this Public Announcement, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to 2 (two) decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

1 DETAILS OF THE BUYBACK OFFER AND BUYBACK PRICE

1.1 At the meeting held on April 18, 2024 ("Board Meeting"), 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 the resolution passed by the Board at the Board Meeting), subject to the approval of the shareholders of the Company by way of special resolution through postal ballot and subject to such approvals of regulatory and/or statutory authorities as may be required under applicable laws, approved the buyback of up to 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven only) Equity Shares, representing approximately 3.46% of the total number of Equity Shares in the paid-up share capital of the Company, at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share ("Buyback Price"), subject to any increase to the Buyback Price as may be approved by the Board or Buyback Committee, payable in cash for an aggregate amount not exceeding INR 1,84,99,98,600 (Indian Rupees One Hundred and Eighty Four Crore Ninety Nine Lakh Ninety Eight Thousand Six Hundred only) ("Buyback Size"), excluding transaction costs, applicable taxes and other incidental and related expenses, from all of the equity shareholders/ beneficial owners of the Company, including the members of the promoter and promoter group of the Company ("Promoter Group"), who hold Equity Shares as of the Record Date (as defined below) on a proportionate basis through the "Tender Offer" route in accordance with the provisions of the Buyback Regulations, Companies Act, 2013, as amended (the "Companies Act"), rules framed thereunder including the Companies (Share Capital and Debentures) Rules, 2014 as amended ("Share Capital Rules"), and the Companies (Management and Administration) Rules, 2014, as amended ("Management Rules"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), to the extent applicable, and the SEBI Circulars (hereinafter referred to as "Buyback").

1.2 In terms of Regulation 5(via) of the Buyback Regulations, the Board or Buyback Committee may, till 1 (one) working day prior to the Record Date, increase the Buyback Price and decrease the number of Equity Shares proposed to be bought back, such that there is no change in the Buyback Size.

1.3 The Buyback Size constitutes 23.66% and 24.41% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company as at March 31, 2023, respectively, and is within the statutory limit of 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company as at March 31, 2023 (i.e., the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback), under the shareholders' approval route as per the provisions of the Companies Act and the Buyback Regulations. Further, since the Equity Shares proposed to be bought back represents approximately 3.46% of the total number of Equity Shares in the paid-up share capital of the Company as of March 31, 2023 and as of March 31, 2024, the same is within the 25% limit as per the provisions of the Companies Act and the Buyback Regulations.

1.4 Since the Buyback is more than 10% of the total paid-up equity share capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act and Regulation 5(i)(b) of the Buyback Regulations, the Board had sought approval of the shareholders of the Company for the Buyback, by way of a special resolution. The shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot only by voting through electronic means pursuant to a postal ballot notice dated April 24, 2024, the results of which were announced on May 25, 2024 ("Postal Ballot Resolution").

1.5 The Buyback is in accordance with Article 82 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and rules framed thereunder, including the Share Capital Rules, the Management Rules, the Listing Regulations to the extent applicable, Buyback Regulations read with SEBI Circulars, subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, Delhi and Haryana, at New Delhi, National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE") and/or other authorities, institutions or bodies, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.

1.6 The Buyback Size does not include transaction costs viz. brokerage costs, fees, turnover charges, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc., expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors' legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc. ("Transaction Costs").

1.7 The Equity Shares are listed on NSE and BSE ("Stock Exchanges"). The Buyback shall be undertaken on a proportionate basis (subject to reservation for small shareholders) from all the equity shareholders/ beneficial owners of the Company, including the members of the Promoter Group, who hold Equity Shares as at Wednesday, June 05, 2024 (the "Record Date") (such shareholders "Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations and shall be implemented using the stock exchange mechanism as specified in the SEBI Circulars. In this regard, the Company will request BSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback and, for the purposes of this Buyback, BSE will be the designated stock exchange.

1.8 The Buyback from the Eligible Shareholders who are residents outside India including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies), foreign institutional investors/ foreign portfolio investors, shall be subject to such approvals, if any, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

1.9 In terms of the Buyback Regulations, under tender offer route, the members of the Promoter Group and persons in control of the Company have the option to participate in the Buyback. In this regard, the members of the Promoter Group vide their letters dated April 24, 2024, have communicated that 3 (three) of the members of the Promoter Group intend to participate in the Buyback. The extent of their participation in the Buyback has been detailed in Paragraph 6.3 of this Public Announcement.

1.10 The Buyback will not result in any benefit to Promoter Group or any directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares, which will lead to reduction in the equity share capital of the Company post Buyback. The Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations. Any change in voting rights of the Promoter Group of the Company pursuant to completion of Buyback will not result in any change in control over the Company.

1.11 Participation in the Buyback by Eligible Shareholders will be subject to tax on distributed income to the shareholders ("Buyback Tax") in India and such tax obligation is to be discharged by the Company. However, in case of non-resident shareholders, this may be subject to capital gains taxation in the hands of the shareholders in their respective tax jurisdiction. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors for the applicable tax implications prior to participating in the Buyback.

1.12 A copy of this Public Announcement is available on the website of the Company (www.shardamotor.com), the website of Manager to the Buyback (www.ambit.co) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the period of the Buyback and on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

2 NECESSITY FOR THE BUYBACK

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term (including investment in growth plans and associated capital expenditure), the Company's dividend pay-out trend and cash reserves in order to return surplus funds to the shareholders in an effective and efficient manner. The Buyback is being undertaken, inter-alia, for the following reasons:

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

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

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

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

3 MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK

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

4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES AND BASIS OF ARRIVING AT THE BUYBACK PRICE

4.1 The Equity Shares are proposed to be bought back at a price of INR 1,800/- (Indian Rupees One Thousand Eight Hundred only) per Equity Share.

4.2 The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and the closing price of the Equity Shares at the Stock Exchanges.

4.3 The Buyback Price represents:

4.3.1 premium of 29.52% and 29.64% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the 3 (three) months preceding Monday, April 8, 2024, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback ("Intimation Date").

4.3.2 premium of 31.30% and 30.77% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, during the 2 (two) weeks preceding the Intimation Date.

4.3.3 premium of 25.69% and 25.14% over the closing price of the Equity Share on BSE and NSE, respectively, as on the Intimation Date.

4.3.4 premium of 13.35% and 13.20% over the closing price of the Equity Share on BSE and NSE, respectively, as on April 18, 2024, being the date of the Board Meeting.

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

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

4.6 In terms of Regulation 5(via) of the Buyback Regulations, the Board or Buyback Committee may, till 1 (one) working day prior to the Record Date, increase the Buyback Price and decrease the number of Equity Shares proposed to be bought back, such that there is no change in the Buyback Size.

5 MAXIMUM AMOUNT REQUIRED FOR THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES AND SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

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

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

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

6 DETAILS OF HOLDING AND TRANSACTIONS IN THE EQUITY SHARES BY THE MEMBERS OF THE PROMOTER GROUP, DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY AND INTENTION OF MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO PARTICIPATE IN THE BUYBACK

6.1 The aggregate shareholding in the Company of (a) the members of the Promoter Group and persons in control of the Company; (b) the directors (other than members of the Promoter Group) and key managerial personnel, as on the date of the Board Meeting (April 18, 2024) and the date of the Postal Ballot Notice (April 24, 2024), are as follows:

6.1.1 Aggregate shareholding of the members of the Promoter Group and persons in control of the Company in the Company:

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

6.1.2 Aggregate shareholding of the directors (other than members of the Promoter Group) and key managerial personnel of the Company in the Company:

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

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

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

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

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

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

6.4.1 Ajay Relan

Sr. No.	Date of Acquisition/ Sale	Nature of transaction	Face Value (in INR)	Number of Equity Shares acquired/ (sold)	Consideration (Cash, other than cash etc.)	Issue price/ transfer price per Equity Share (in INR)	Cumulative holding
1	Balance as on September 30, 2003 ⁽¹⁾	-	10	-	-	-	4,05,189
2	November 12, 2005 ⁽²⁾	Bonus 1:1	10	4,05,189	NA	-	8,10,378
3	May 31, 2013	Offer for sale	10	(25,000)	Cash	504.49	7,85,378
4	June 24, 2016	Inter -Se transfer (through gift)	10	11,48,480	NA	-	19,33,858
5	December 27, 2017	Sale on open market	10	(19,663)	Cash	2,458.64	19,14,195
6	July 02, 2018 to July 24, 2018	Purchase on open market	10	6,102	Cash	1,873.50 ⁽³⁾	19,20,297
7	October 01, 2018 to October 11, 2018	Purchase on open market	10	6,922	Cash	1,533.47 ⁽³⁾	19,27,219
8	September 24, 2020	Inter-se transfer (through memorandum of partition of HUF)	10	19,200	NA	-	19,46,419
9	October 24, 2020	Inter-se transfer (through gift)	10	15,27,857	NA	-	34,74,276
10	April 19, 2021 ⁽⁴⁾	Subdivision of shares	2	1,38,97,104	NA	-	1,73,71,380

Notes:

⁽¹⁾ Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.

⁽²⁾ Date of allotment pursuant to bonus issue.

⁽³⁾ Average price at which the Equity Shares were purchased during the relevant period.

⁽⁴⁾ Record date for subdivision of shares.

6.4.2 Aashim Relan

Sr. No.	Date of Acquisition/ Sale	Nature of transaction	Face Value (in INR)	Number of Equity Shares acquired/ (sold)	Consideration (Cash, other than cash etc.)	Issue price/ transfer price per Equity Share (in INR)	Cumulative holding
1	Balance as on September 30, 2003 ⁽¹⁾	-	10	-	-	-	1,45,600
2	November 12, 2005 ⁽²⁾	Bonus 1:1	10	1,45,600	NA	-	2,91,200
3	August 24, 2015	Purchase on open market	10	3,000	Cash	911.91	2,94,200
4	September 01, 2015 to September 29, 2015	Purchase on open market	10	5,500	Cash	870.52 ⁽³⁾	2,99,700
5	December 10, 2015	Purchase on open market	10	1,200	Cash	915.16	3,00,900
6	April 12, 2017 to April 21, 2017	Purchase on open market	10	414	Cash	2,064.60 ⁽³⁾	3,01,314
7	March 07, 2018 to March 23, 2018	Purchase on open market	10	3,126	Cash	1,827.62 ⁽³⁾	3,04,440
8	April 19, 2021 ⁽⁴⁾	Subdivision of Shares	2	12,17,760	NA	-	15,22,200

Notes:

⁽¹⁾ Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.

⁽²⁾ Date of allotment pursuant to bonus issue.

⁽³⁾ Average price at which the Equity Shares were purchased during the relevant period.

⁽⁴⁾ Record date for subdivision of shares.

6.4.3 Mala Relan

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

Notes:

⁽¹⁾ Since data prior to 2003 is not available to the full extent, balance as on September 30, 2003 is based on the shareholding pattern filed by the Company on Delhi Stock Exchange.

⁽²⁾ Date of allotment pursuant to bonus issue.

⁽³⁾ Average price at which the Equity Shares were purchased during the relevant period.

⁽⁴⁾ Record date for subdivision of shares.

7 CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE ACT:

7.1 All the Equity Shares of the Company are fully paid up.

7.2 The Company shall not issue and allot any Equity Shares or other specified securities (including by way of bonus) or convert any outstanding employee stock options / outstanding instruments into Equity Shares, from the date of the Postal Ballot Resolution till the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback.

7.3 Unless otherwise specifically permitted by any relaxation issued by SEBI and/ or any other regulatory authority, the Company shall not raise further capital for a period of 1 (one) year, as prescribed under the provisions of Regulation 24(i)(f) of the Buyback Regulations, from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of its subsisting obligations.

7.4 The Company, as per the provisions of Section 68(8) of the Companies Act, will not make a further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of 6 (six) months except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.

7.5 The Company shall not withdraw the Buyback after the letter of offer is filed with SEBI or Public Announcement of the offer to Buyback is made.

7.6 The Company will ensure consequent reduction of its share capital post Buyback and the Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Companies Act within the specified timelines.

7.7 The Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable.

7.8 The consideration for the Buyback shall be paid by the Company only by way of cash.

7.9 Funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.

7.10 The Company shall not buyback its Equity Shares or other specified securities from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of Buyback.

7.11 There are no defaults (either in the past or subsisting) in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon), as the case may be, and in case of defaults which have ceased to subsist, if any, a period of more than three years has lapsed.

- 7.12 The Company has not undertaken a buyback of any of its securities during the period of 1 (one) year immediately preceding the date of the Board Meeting.
- 7.13 The Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act.
- 7.14 The aggregate amount of the Buyback i.e., not exceeding INR 1,84,99,98,600 (Indian Rupees One Hundred and Eighty Four Crore Ninety Nine Lakhs Ninety Eight Thousand and Six Hundred only) does not exceed 25% of the aggregate of the total paid-up equity share capital and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company as at March 31, 2023.
- 7.15 The maximum number of Equity Shares proposed to be purchased under the Buyback (i.e., 10,27,777 (Ten Lakh Twenty Seven Thousand Seven Hundred and Seventy Seven Equity Shares) does not exceed 25% of the total number of Equity Shares in the paid-up equity share capital of the Company as per the audited standalone and consolidated financial statements of the Company as at March 31, 2023 and as at March 31, 2024.
- 7.16 The Company shall not make any offer of buyback within a period of 1 (one) year reckoned from the date of expiry of the Buyback period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback.
- 7.17 The Company shall comply with the statutory and regulatory timelines in respect of the Buyback in such manner as prescribed under the Companies Act and/ or the Buyback Regulations and any other applicable laws.
- 7.18 The Buyback shall be completed within a period of 1 (one) year from the date of passing of the Board resolution approving the Buyback.
- 7.19 There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date.
- 7.20 The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid-up capital and free reserves after the Buyback, based on standalone and consolidated financial statements of the Company, as prescribed under the Companies Act and rules made thereunder and Buyback Regulations.
- 7.21 The Company is not buying back its Equity Shares so as to delist its shares or other specified securities from the stock exchanges.
- 7.22 The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies, or through any investment company or group of investment companies.
- 7.23 As per Regulation 24(i)(e) of the Buyback Regulations, the members of the Promoter Group, and their associates, shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the members of the Promoter Group) from the date of the Postal Ballot Resolution approving the Buyback till the closing of the Buyback offer.
- 7.24 In accordance with Regulation 6 of the Buyback Regulations, the Company shall reserve 15% of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of Small Shareholders as on the Record Date, whichever is higher, for the Small Shareholders as part of the Buyback.
- 7.25 The Company shall transfer from its free reserves and/ or such other sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statement.
- 7.26 The Company has obtained the prior consent of its lenders, as necessary, for undertaking the Buyback.

8 CONFIRMATIONS FROM THE BOARD OF DIRECTORS OF THE COMPANY

- 8.1 As required by Clause (x) of Schedule I of the Buyback Regulations, the Board has confirmed that it has made full enquiry into the affairs and prospects of the Company and has formed an opinion, that:
- 8.1.1 immediately following the date of the Board Meeting and the date of the Postal Ballot Resolution, there will be no grounds on which the Company could be found unable to pay its debts, if any;
- 8.1.2 as regards the Company's prospects for the year immediately following the date of Board Meeting as well as the date of the Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 (one) year from the date of the Board Meeting and the Postal Ballot Resolution; and
- 8.1.3 in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, or the Insolvency and Bankruptcy Code, 2016, as applicable.

9 REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S STATUTORY AUDITORS

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

Quote

To,
The Board of Directors,
Sharda Motor Industries Limited
D-188, Okhla Industrial Area,
Phase-I, New Delhi – 110 020, India.

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

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

Management's Responsibility

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

Auditor's Responsibility

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

- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid buyback.

Opinion

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

Restriction on use

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

Limiting Conditions

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

For **S.R. DINODIA & CO. LLP**
Chartered Accountants
Firm's Registration No. 001478N/N500005
Sd/-

(**Sandeep Dinodia**)
Partner
Membership No. 083689
UDIN: 24083689BKBL516892
Place of Signature: New Delhi
Date: April 18, 2024

Annexure A

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

(Amount In INR Lakh)

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

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

Name: Ajay Relan
Designation: Managing Director
Place: New Delhi
Date: April 18, 2024

Unquote

10 RECORD DATE AND SHAREHOLDER ENTITLEMENT

- As required under the Buyback Regulations, the Company has fixed Wednesday, June 05, 2024, as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders, who will be eligible to participate in the Buyback.
- In due course, Eligible Shareholders will receive a letter of offer in relation to the Buyback ("Letter of Offer") along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback. Even if the Eligible Shareholder does not receive the Letter of Offer along with a tender form, the Eligible Shareholder may participate and tender shares in the Buyback.

As required under the Buyback Regulations, the dispatch of the Letter of Offer shall be through electronic mode only, within two (2) working days from the Record Date and, if any Eligible Shareholder requires a physical copy of the Letter of Offer, a request has to be sent to the Company or the Registrar to the Buyback and the same shall be provided.
- The Equity Shares proposed to be bought back by the Company shall be divided into two categories: (a) reserved category for Small Shareholders (as defined below); and (b) general category for all other Eligible Shareholders.
- As defined in Regulation 2(1)(n) of the Buyback Regulations, a "Small Shareholder" is a shareholder of the Company who holds Equity Shares whose market value, on the basis of the closing price of the Equity Shares on the Stock Exchanges having the highest trading volume as on the Record Date, is not more than INR 2,00,000/- (Indian Rupees Two Lakh only).
- In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buy back or the number of Equity Shares entitled as per the shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- Based on the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including small shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Eligible Shareholder belongs to. The final number of Equity Shares that the Company shall purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered by such Eligible Shareholder. Accordingly, the Company may not purchase all of the Equity Shares tendered by an Eligible Shareholder.
- In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the Equity Shares held by such Eligible Shareholders with a common permanent account number ("PAN") for determining the category (small shareholder or general) and entitlement under Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical or where the PAN of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and the names of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/ trusts, insurance companies 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 and have a different demat account nomenclature based on information prepared by the registrar and transfer agent as per the shareholder records received from the depositories.
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.
- The participation of Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any. 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.

- The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.

- The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buyback entitlement to tender Equity Shares in the Buyback. The settlement under the Buyback will be done using the mechanism notified under the SEBI Circulars.
- Income arising to the shareholders under the Buyback is exempt from income tax in India. However, the participation in the Buyback by non-resident shareholders may be taxable in their country of residence according to tax laws of their respective countries. The Buyback transaction would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.
- Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant timetable will be included in the Letter of Offer to be sent to the Eligible Shareholder(s).

11 PROCESS AND METHODOLOGY FOR BUYBACK

- The Buyback is open to all Eligible Shareholders holding Equity Shares either in physical and/ or in dematerialized form as on the Record Date.
- The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" as specified by the SEBI Circulars ("Stock Exchange Mechanism") and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including Committee authorized to complete the formalities of the Buyback) on such terms and conditions as may be permitted by law from time to time.
- For implementation of the Buyback, the Company has appointed Ambit Capital Private Limited as the registered broker to the Company ("Company's Broker") to facilitate the process of tendering of Equity 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 Broker are as follows:



Ambit Capital Private Limited
Address: Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013, Maharashtra, India
Tel. No.: +91 22 6623 3000; Fax No.: +91 22 6623 3100;
Contact Person: Sameer Parkar
Email: sameer.parkar@ambit.co; Website: www.ambit.co
SEBI Registration No.: INZ000259334; CIN: U74140MH1997PTC107598

- BSE will be the designated stock exchange for the purpose of this Buyback. The Company will request BSE to provide the separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the Acquisition Window will be specified by BSE from time to time.
- During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock broker(s) ("Seller Member(s)") during normal trading hours of the secondary market. The Seller Member can enter orders for Equity Shares held in dematerialized form and physical form. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.
- In the event the Seller Member(s) of any Eligible Shareholder is not registered with BSE as a trading member/ stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register themselves by using quick unique client code ("UCC") facility through the 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 Shareholders are unable to register using UCC facility through any other BSE registered broker, Eligible Shareholders may approach Company's Broker i.e., Ambit Capital Private Limited, to place their bids, subject to completion of KYC requirements as required by the Company's Broker.
- Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will only be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.
- The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.
- Further, the Company will not accept Equity Shares tendered for Buyback which are under restraint order of the court/ any other competent authority for transfer/ sale and/ or title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.
- Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialized form:**
 - Eligible Shareholders who desire to tender their Equity Shares held by them in dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating to the concerned Seller Member, the details of Equity Shares they intend to tender under the Buyback.
 - The Seller Member(s) would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of BSE. For further details, Eligible Shareholders may refer to the circulars issued by BSE and Indian Clearing Corporation Limited ("Clearing Corporation").
 - The details of the settlement number under which the lien will be marked on the Equity Shares tendered for the Buyback will be provided in a separate circular to be issued by BSE and the Clearing Corporation.
 - The lien shall be marked by the Seller Member in the demat account of the Eligible Shareholder for the shares tendered in tender offer. Details of shares marked as lien in the demat account of the Eligible Shareholder shall be provided by the depositories to the Clearing Corporation. In case, the Shareholders demat account is held with one depository and clearing member pool and Clearing Corporation account is held with other depository, shares shall be blocked in the shareholders demat account at source depository during the tendering period. Inter depository tender offer ("IDT") instructions shall be initiated by the shareholders at source depository to clearing member/ Clearing Corporation account at target depository. Source depository shall block the shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target depository to the Clearing Corporation.
 - For orders placed with respect to dematerialized Equity Shares, by clearing members entities who have been allocated a custodian participant code by the Clearing Corporation ("Custodian Participant"), 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 closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Seller Member shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 - Upon placing the bid, the Seller Member(s) shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of the order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered etc. In case of non-receipt of the completed tender form and other documents, but lien marked on Equity Shares and a valid bid in the Exchange Bidding System, the bid by such Eligible Shareholder shall be deemed to have been accepted.
 - It is clarified that in case of dematerialized Equity Shares, submission of the tender form and TRS is not mandatory. 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 Eligible Shareholders holding Equity Shares in demat form.
 - The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company. In the event if any equity shares are tendered to Clearing Corporation, excess dematerialized equity shares or unaccepted dematerialized equity shares, if any, tendered by the eligible shareholders would be returned to them by the respective Clearing Corporation. 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 eligible shareholder. On the date of the settlement, in case of Custodian Participant orders, excess dematerialized shares or unaccepted dematerialized shares, if any, will be returned to the respective custodian depository pool account.
 - Eligible shareholders who have tendered their demat shares in the buyback shall also provide all relevant documents, which are necessary to ensure transferability of the demat shares in respect of the tender form to be sent. Such documents may include (but not be limited to): (i) duly attested power of attorney, if any person other than the eligible shareholder has signed the tender form; (ii) duly attested death certificate and succession certificate/legal heirship certificate, in case any eligible shareholder is deceased, or court approved scheme of merger/amalgamation for a company; and (iii) in case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
- Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:**

In accordance with SEBI's circular dated July 31, 2020 (circular no. SEBI/HO/CFD/CMD1/ CIR/ P/2020/144), shareholders holding Equity Shares in physical form are allowed to tender such shares in a buyback undertaken through the tender offer route. However, such tendering shall be as per the provisions of the Buyback Regulations. The procedure is as below:

- 11.11.1 Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (a) Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (b) original share certificate(s), (c) valid share transfer form(s)/ Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in the 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, (d) self-attested copy of PAN card(s) of all Eligible Shareholders, (e) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is 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.
- 11.11.2 Based on documents mentioned in paragraph 11.11.1 above, the concerned Seller Member shall place an order/ bid on behalf of the Eligible Shareholders holding Equity Shares in physical form 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 Eligible Shareholder. TRS will contain the details of order submitted like folio number, certificate number, distinctive number, number of Equity Shares tendered etc.
- 11.11.3 Any Seller Member/ Eligible Shareholder 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 generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e., Link Intime India Private Limited at the address mentioned at paragraph 14 below) on or before the Buyback closing date. The envelope should be super scribed as "Sharda Motor Industries Limited Buyback 2024". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Member.
- 11.11.4 The Eligible Shareholders 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 Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'confirmed bids'.
- 11.11.5 In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.
- 11.11.6 An unregistered shareholder holding Equity Shares in physical form may also tender their Equity Shares in the Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to the Record Date, in their name, along with the offer form, copy of their PAN card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any.
- 11.12 The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt/ provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.
- 11.13 The reporting requirements for non-resident shareholders under RBI, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/ or the Eligible Shareholder's broker through which the Eligible Shareholder places the bid.
- 11.14 Modification/cancellation of orders will only be allowed during the tendering period of the Buyback.
- 11.15 The cumulative quantity of Equity Shares tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

12 METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per the Buyback Regulations:

- 12.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 12.2 The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If the Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/ bank, due to any reason, then such funds will be transferred to the concerned Seller Member's settlement bank account for onward transfer to such Eligible Shareholders.
- 12.3 Details in respect of shareholder's entitlement for tender offer process will be provided to the Clearing Corporation by the Registrar on behalf of the Company. On receipt of the same, the Clearing Corporation will cancel the excess or unaccepted blocked shares in the demat account of the Eligible Shareholder. On settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- 12.4 In case the demat account of the Eligible Shareholders is held with one depository and the Clearing Member pool/ Clearing Corporation account is held with another depository, the Clearing Corporation that holds the Clearing Member pool and Clearing Corporation account of the Eligible Shareholder will cancel the excess or unaccepted shares in the depository that holds the demat account. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with bid accepted details as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target depository, source Depository will cancel/release excess or unaccepted blocked shares in the demat account of the Eligible Shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/message received from target depository to the extent of accepted bid shares from Eligible Shareholder's demat account and credit it to the Clearing Corporation settlement account in target Depository on settlement date.
- 12.5 In relation to the Equity Shares in physical form:
- a) If Equity Shares in physical form tendered by Eligible Shareholders are not accepted, the share certificate would be returned to such Eligible Shareholders by registered post or by ordinary post or courier at the Eligible Shareholders' sole risk. The Company also encourages Eligible Shareholders holding Equity Shares in physical form to dematerialize their such Equity Shares.
- b) If however, only a portion of the Equity Shares in physical form held by an Eligible Shareholder is accepted in the Buyback, then the Company is authorised to split the share certificate and issue a Letter of Confirmation ("LOC") in accordance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2022/8 dated January 25, 2022 with respect to the new consolidated share certificate for the unaccepted Equity Shares tendered in the Buyback. The LOC shall be dispatched to the address registered with the Registrar and Transfer Agent of the Company ("RTA"). The RTA shall retain the original share certificate and deface the certificate with a stamp "Letter of Confirmation Issued" on the face/ reverse of the certificate to the extent of the excess Equity Shares. The LOC shall be valid for a period of 120 days from the date of its issuance, within which the Equity Shareholder shall be required to make a request to their depository participant for dematerializing the Equity Shares in physical form. In case the Equity Shareholder fails to submit the demat request within the aforementioned period, the RTA shall credit the Equity Shares to a separate demat account of the Company opened for the said purpose.
- 12.6 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 Seller 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.
- 12.7 Details in respect of shareholder's entitlement for tender offer process will be provided to the Clearing Corporation by the Company or Registrar to the Buyback. On receipt of the same, Clearing Corporation will cancel the excess or unaccepted blocked shares in the demat account of the shareholder. On settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- 12.8 The Equity Shares bought back in dematerialized form would be transferred directly to the demat escrow account of the Company opened for the Buyback ("Company Demat Escrow Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- 12.9 Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member(s) for details of any cost, applicable taxes, charges and

expenses (including brokerage) etc., that may be levied by the Seller Member(s) upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Manager to the Buyback and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

- 12.10 The Seller Member(s) would issue contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients/ will unblock the excess unaccepted Equity Shares. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

- 12.10 The Equity Shares accepted, bought and lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

13 COMPLIANCE OFFICER

- 13.1 The Company has designated the following as the Compliance Officer for the Buyback:

Name: Iiti Goyal
Designation: Assistant Company Secretary and Compliance Officer
Address: D-188, Okhla Industrial Area, Phase – I, New Delhi – 110 020, India.
Tel no.: +91-11-47334100 (Extn. 142)
Fax no. +91-11-26811676
Email: liti.goyal@shardamotor.com

- 13.2 In case of any clarifications or to address investor grievance, the shareholders may contact the Compliance Officer, from Monday to Friday between 10:00 am (IST) to 5:00 pm (IST) on all working days except public holidays, at the above-mentioned address.

14 INVESTOR SERVICE CENTER AND REGISTRAR TO THE BUYBACK

- 14.1 The Company has appointed the following as the Registrar to the Buyback:

Link Intime India Private Limited
Address: C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India
Tel. no.: +91 810 811 4949;
Fax no.: +91 22 49186060;
Contact person: Ms. Shanti Gopalakrishnan
Email: shardamotor.buyback2024@linkintime.co.in
Sebi registration no.: INR000004058

LINKIntime

- 14.2 In case of any query, the shareholders may also contact the Registrar to the Buyback, from Monday to Friday between 10:00 am (IST) to 5:00 pm (IST) on all working days except public holidays at the above-mentioned address.

15 MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:

Ambit Private Limited
Address: Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India
Tel. no.: +91 22 6623 3030;
Contact person: Miraj Sampat / Siddhesh Deshmukh
Email: shardamotor.buyback@ambit.co
Website: www.ambit.co
SEBI Registration No.: INM000010585
CIN: U65923MH1997PTC109992

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16 DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Regulation 24(i)(a) of the Buyback Regulations, the Board accepts full and final responsibility for all the information contained in this Public Announcement and confirms that this Public Announcement contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of
Sharda Motor Industries Limited

Sd/- Sd/- Sd/-

Ajay Relan Managing Director DIN: 00257584	Nitin Vishnoi Executive Director & Company Secretary DIN: 08538925	Iiti Goyal Assistant Company Secretary and Compliance Officer Membership No.: A31807
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Date : May 27, 2024

Place: New Delhi