



# LAKSHMI MACHINE WORKS LIMITED

Lakshmi Machine Works Limited

CIN: L29269TZ1962PLC000463

Registered Office: Perianaickenpalayam, Coimbatore-641 020

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## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF LAKSHMI MACHINE WORKS LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended (the "Buy Back Regulations") and contains the disclosures as specified in Part A of Schedule II to the Buy Back Regulations.

**OFFER FOR BUYBACK OF UP TO 3,11,000FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT A PRICE OF ₹ 4,450 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

### 1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. The Board of Directors (the "Board") of Lakshmi Machine Works Limited (the "Company") passed a resolution on 26th October, 2016 (the "Board Meeting") to approve the proposal for buyback of equity shares of face value of ₹ 10 each ("Equity Shares") of the Company for up to 3,11,000 (Three Lakhs Eleven Thousand only) Equity Shares from the equity shareholders/ beneficial owners of Equity Shares ("Equity Shareholders") of the Company as on the Record Date (hereinafter defined), on a proportionate basis, through the tender offer route ("Buy Back", at a price of ₹ 4,450 per Equity Share (Rupees Four Thousand Four Hundred and Fifty Only) ("Buy Back Price") payable in cash, for an aggregate maximum amount of ₹138,39,50,000/- (Rupees One Hundred and Thirty Eight Crores Thirty Nine Lakhs and Fifty Thousand Only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty etc ("Buy Back Size").

1.2. The Buy Back is in accordance with the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act"), and in accordance with Article 40 of the Articles of Association of the Company and subject to the provisions of the Buy Back Regulations, and such other approvals, permissions and exemptions as may be required from time to time from BSE Limited (The "BSE"), and the National Stock Exchange of India Limited (The "NSE", and together with the BSE, the "Recognized Stock Exchanges") where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or any committee thereof. The Buy Back would be undertaken in accordance with circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by Securities and Exchange Board of India, which prescribes mechanism for acquisition of shares through stock exchange. In this regard, the Company will request BSE and NSE to provide the Acquisition Window. For the purpose of this Buy Back, BSE would be the Designated Stock Exchange.

1.3. In accordance with the provisions of the Companies Act, the Buy Back Size, is ₹ 138,39,50,000/- (Rupees One Hundred and Thirty Eight Crores Thirty Nine Lakhs and Fifty Thousand Only), which is approx. 9.99% of the fully paid-up equity share capital and free reserves as per the standalone audited accounts of the Company for the financial year ended March 31, 2016 (the last audited financial statements available as on the date of the Board Meeting approving the Buy Back) and is within the statutory limits of 10% of the fully paid-up equity share capital and free reserves as per the last standalone audited financial statements of the Company. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the company in that financial year. Since the Company proposes to Buy Back up to 3,11,000 (Three Lakhs Eleven Thousand only) Equity Shares representing 2.76% of the total number of Equity Shares in the total paid up equity share capital of the Company, the same is within the aforesaid 25% limit.

1.4. The Buy Back Price per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares of the Company on BSE and NSE, the net worth of the Company and the impact of the Buy Back on the earnings per equity share of the Company. The Buy Back Price per Equity Share represents a premium of 9.67% and 9.75% over the average closing prices of the Company's Equity Shares on BSE and NSE respectively for 3 months preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buy Back and 4.64% and 4.79% over the average closing prices of the Company's equity shares on BSE and NSE respectively for 2 weeks preceding the date of intimation to the BSE and NSE for the Board Meeting to consider the proposal of the Buy Back. The closing market price of the Equity Shares as on the date of intimation of the date of the Board meeting for considering the Buy Back, being 21st October, 2016 was ₹ 4,343.50 and ₹ 4,352.10 on BSE and NSE respectively. The Buy Back Price is higher by 251.55% of the book value per Equity Share of the Company, which pre-Buy Back, as on March 31, 2016, is ₹ 1,265.82. The earnings per Equity Share of the Company pre-Buy Back as on March 31, 2016 is ₹ 195.19 which will increase to ₹ 200.73 post Buy Back assuming full acceptance of the Buy Back. The return on networth of the Company pre Buy Back as on March 31, 2016 is 15.42%, which will increase to 17.08% post Buy Back assuming full acceptance of the Buy Back.

1.5. The Buy Back shall be on a proportionate basis from all the Equity Shareholders of the Company through the "tender offer" process as prescribed under Regulation 4(1)(a) of the Buy Back Regulations. Please see Clause 9 below for details regarding Record Date and shareholder's entitlement for tendering in the Buy Back.

### 2. NECESSITY OF THE BUY BACK

2.1. Share buyback is the acquisition by a company of its own shares. The objective of the Buy Back is to return surplus cash to the Equity Shareholders of the Company. The Buy Back through tender offer route gives an option to all the Equity Shareholders participating in the Buyback, to receive the surplus cash by participating in the Buy Back. The Buy Back is expected to reduce outstanding number of shares and consequently increase earnings per share over a period of time and enhance long term value creation, to effectively utilise surplus cash and make the balance sheet leaner and more efficient to improve key ratios like return on Net Worth, return on Assets etc.

2.2. The Company has accumulated liquid resources. These liquid resources are at present giving a very low yield to the Company. There is no immediate use for these liquid resources by way of new projects or acquisitions. Even in respect of any ongoing capital expenditure, the existing internal accruals are sufficient to meet the requirements. In this situation it is proposed that the capital of the company could be brought down through the Buy Back route to the extent permitted by the relevant provisions of the Companies Act.

2.3. After considering several factors and benefits to the Equity Shareholders, the Board of Directors decided to recommend Buy Back of up to 3,11,000 (Three Lakhs Eleven Thousand only) Equity Shares of ₹10/- each (representing 2.76% of the total number of the equity share capital of the Company) at the Buy Back Price i.e. ₹4,450 per Equity Share aggregating to ₹138,39,50,000 (Rupees One Hundred and Thirty Eight Crores Thirty Nine Lakhs and Fifty Thousand Only).

### 3. DETAILS OF PROMOTERS' SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

3.1. The aggregate shareholding of the Promoters and Promoter Group of the Company, the directors of the corporate Promoters and the persons who are in control of the Company, as on the date of the Board Meeting i.e. 26th October, 2016 is given below:

a. Aggregate shareholding of the Promoters and Promoter Group of the Company and Persons in Control of the Company:

| Sr. No.     | Name of the Shareholder                               | Number of Equity Shares | % of Equity Shareholding |
|-------------|-------------------------------------------------------|-------------------------|--------------------------|
| INDIVIDUALS |                                                       |                         |                          |
| 1           | Thayarammal D                                         | 7,920                   | 0.070                    |
| 2           | Uttara R                                              | 44,290                  | 0.393                    |
| 3           | Pathy S                                               | 1,420                   | 0.013                    |
| 4           | Nethra J S Kumar                                      | 720                     | 0.006                    |
| 5           | Rajyalakshmi J                                        | 97,980                  | 0.870                    |
| 6           | Ravi Sam                                              | 5,866                   | 0.052                    |
| 7           | Sundaram K                                            | 1,220                   | 0.011                    |
| 8           | Sanjay Jayavarthanavelu                               | 1,42,291                | 1.263                    |
| 9           | Senthil Kumar D                                       | 160                     | 0.001                    |
| 10          | Jaiddev Jayavarthanavelu                              | 380                     | 0.003                    |
| CORPORATES  |                                                       |                         |                          |
| 11          | Eshaan Enterprises Limited                            | 1,27,110                | 1.128                    |
| 12          | Lakshmi Precision Tools Limited                       | 15,000                  | 0.133                    |
| 13          | Lakshmi Ring Travellers (Cbe) Limited                 | 2,52,180                | 2.238                    |
| 14          | Lakshmi Electrical Control Systems Limited            | 88,800                  | 0.788                    |
| 15          | Lakshmi Cargo Company Limited                         | 10,24,468               | 9.093                    |
| 16          | Lakshmi Technology and Engineering Industries Limited | 6,67,090                | 5.921                    |
| 17          | Lakshmi Electrical Drives Limited                     | 17,500                  | 0.155                    |
| 18          | The Lakshmi Mills Company Limited                     | 5,20,000                | 4.615                    |
| 19          | Super Sales India Limited                             | 1,79,480                | 1.593                    |
|             | <b>Total</b>                                          | <b>31,93,875</b>        | <b>28.348</b>            |

b. Aggregate shareholding of the directors of the corporate promoters and promoter group:

| Sr. No.                                      | Name of the Shareholder | Number of Equity Shares | % of Equity Shareholding |
|----------------------------------------------|-------------------------|-------------------------|--------------------------|
| PROMOTER DIRECTORS OF CORPORATE PROMOTER     |                         |                         |                          |
| 1                                            | Thayarammal D           | 7,920                   | 0.07%                    |
| 2                                            | Uttara R                | 44,290                  | 0.39%                    |
| 3                                            | Pathy S                 | 1,420                   | 0.01%                    |
| 4                                            | Nethra J S Kumar        | 720                     | 0.01%                    |
| 5                                            | J Rajyalakshmi          | 97,980                  | 0.87%                    |
| 6                                            | Ravi Sam                | 5,866                   | 0.05%                    |
| 7                                            | Sanjay Jayavarthanavelu | 1,42,291                | 1.26%                    |
| 8                                            | Senthil Kumar D         | 160                     | 0.00%                    |
| 9                                            | Aditya Krishna Pathy    | 1                       | 0.00%                    |
| NON PROMOTER DIRECTORS OF CORPORATE PROMOTER |                         |                         |                          |
| 10                                           | RCH Reddy               | 230                     | 0.00%                    |
| 11                                           | Selvaraj N R            | 116                     | 0.00%                    |
| 12                                           | Damotharan Rajendran    | 375                     | 0.00%                    |
| 13                                           | J Raghuopathy           | 107                     | 0.00%                    |
|                                              | <b>TOTAL</b>            | <b>3,01,476</b>         | <b>2.68%</b>             |

3.2. Details of transactions undertaken by the Promoters and Promoter Group, the directors of the Corporate Promoters and Promoter Group, and persons who are in control of the Company from a period of six months preceding the date of the Board Meeting i.e. 26th October, 2016 at which the Board recommended the proposal for Buy Back:

Other than the transaction undertaken by the directors of the Corporate Promoter and Promoter Group there were no transactions undertaken by persons referred to in above during the period of last six months preceding the date of the Board Meeting at which the Buyback was approved.

Details of transaction undertaken by the directors of the Corporate Promoter and Promoter Group are as follows:

R. Mahendran  
(1) Market Purchases

| Number of Equity Shares Purchased | Maximum Price (₹) * | Date of Maximum Price | Minimum Price (₹) * | Date of Minimum Price |
|-----------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| 3                                 | 3,749.85            | July 1, 2016          | 3,749.80            | July 1, 2016          |
| 1                                 | 3,758.00            | July 12, 2016         | 3,758.00            | July 12, 2016         |
| 2                                 | 3,829.95            | August 10, 2016       | 3,829.95            | August 10, 2016       |
| 2                                 | 3,875.00            | August 25, 2016       | 3,875.00            | August 25, 2016       |

\* Gross rate per security, excluding brokerage and other charges as per contract notes for the above transactions

### (2) Market Sales

| Number of Equity Shares Sold | Maximum Price (₹) * | Date of Maximum Price | Minimum Price (₹) * | Date of Minimum Price |
|------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| 3                            | 3,799.00            | July 1, 2016          | 3,799.00            | July 1, 2016          |
| 2                            | 3,825.00            | August 10, 2016       | 3,825.00            | August 10, 2016       |
| 11                           | 3,935.00            | August 18, 2016       | 3,935.00            | August 18, 2016       |
| 2                            | 3,990.05            | August 29, 2016       | 3,990.05            | August 29, 2016       |

\* Gross rate per security, excluding brokerage and other charges as per contract notes for the above transactions

### S VENKATARAMAN

#### (3) Market Purchases

| Number of Equity Shares Purchased | Maximum Price (₹) * | Date of Maximum Price | Minimum Price (₹) * | Date of Minimum Price |
|-----------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| 5                                 | 3,513.00            | June 24, 2016         | 3,513.00            | June 24, 2016         |
| 10                                | 3,710.00            | June 28, 2016         | 3,680.00            | June 28, 2016         |
| 5                                 | 3,830.00            | July 5, 2016          | 3,830.00            | July 5, 2016          |

\* Gross rate per security, excluding brokerage and other charges as per contract notes for the above transactions

#### (4) Market Sales

| Number of Equity Shares Sold | Maximum Price (₹) * | Date of Maximum Price | Minimum Price (₹) * | Date of Minimum Price |
|------------------------------|---------------------|-----------------------|---------------------|-----------------------|
| 10                           | 3,850.00            | August 8, 2016        | 3,805.00            | August 8, 2016        |
| 5                            | 3,930.00            | August 9, 2016        | 3,930.00            | August 9, 2016        |
| 5                            | 4,030.00            | August 18, 2016       | 4,030.00            | August 18, 2016       |
| 5                            | 4,200.00            | August 30, 2016       | 4,200.00            | August 30, 2016       |

\* Gross rate per security, excluding brokerage and other charges as per contract notes for the above transactions

3.3. In terms of the Buy Back Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buy Back. However the Promoters and Promoter Group of the Company do not wish to participate in the Buy Back as per the undertaking vide letter dated October 26, 2016.

4. The Board confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

5. The Board has confirmed on the date of the Board Meeting (i.e. 26th October, 2016) that it has made a full enquiry into the affairs and prospects of the Company and that it has formed the opinion:

- That immediately following the date of the Board Meeting held on October 26, 2016, there will be no grounds on which the Company could be found unable to pay its debts;
- That as regards the Company's prospects for the year immediately following the date of the Board Meeting, approving the buyback and having regard to the Board's intention with respect to the management of 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 Buy Back;
- In forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act (including prospective and contingent liabilities).

6. The text of the report dated 26th October, 2016 received from the Joint Statutory Auditors of the Company viz. M/s. Subbachar & Srinivasan and M/s. S. Krishnamoorthy & Co, addressed to the Board of Directors of the Company is reproduced below:

Quote

"To

The Board of Directors

Lakshmi Machine Works Limited

Registered Office: Perianaickenpalayam, Coimbatore-641 020

**Subject: [Report in terms of Clause (xi) of Part A of schedule II to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended. ]**

In connection with the proposed buyback of equity shares approved by the Board of Directors of Lakshmi Machine Works Limited at their meeting held on 26th October 2016 in pursuance of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended and based on the information and explanation given to us, we report that:

- We have inquired into the state of affairs of the company in relation to its standalone audited financial statements for the year ended March 31, 2016 which were taken on record by the Board of Directors at their meeting held on 25th May 2016 and have been placed before the members of the Company at the Annual General Meeting held on 05th August 2016 and audited by us and unaudited financial statements for the 6(Six) months period ended 30th September 2016 limited reviewed by us.
- The Board of Directors has approved buy-back of the Company's equity to the extent of Rs.13839.50 Lakhs (Rupees Thirteen thousand eight hundred and thirty nine lakhs and fifty thousand) at a price not exceeding Rs.4,450 per Equity Share through the tender route.
- The capital payment (including premium) of an amount not exceeding Rs.13839.50 Lakhs (Rupees Thirteen thousand eight hundred and thirty nine lakhs and fifty thousand) towards the buyback of equity shares is properly determined in accordance with Section 68 (2) (i) of the Companies Act, 2013 and is within the permissible amount of 10% of the paid up equity capital and free reserves of the Company as computed below. The amounts of Share Capital and Free Reserves have been extracted from the standalone audited financial statements of the Company for the year ended 31st March 2016.

#### I. Maximum Amount Permitted for Buy-Back

|                                                                                               | As at March 31, 2016<br>Rs [Lakhs] |
|-----------------------------------------------------------------------------------------------|------------------------------------|
| Share Capital - Issued, Subscribed and Paid up <sup>(1)</sup>                                 | 1,126.65                           |
| Free Reserves <sup>(2)</sup>                                                                  |                                    |
| - Share Premium Account                                                                       |                                    |
| - General Reserves                                                                            | 8,691.25                           |
| - Profit and Loss Account <sup>(3)</sup>                                                      | 1,28,661.58                        |
| <b>TOTAL</b>                                                                                  | <b>1,38,479.48</b>                 |
| Maximum amount permissible for buyback i.e.10% of the total paid up capital and free reserves | 13,847.95                          |
| Maximum amount approved by the Board of Directors for Buy-back                                | 13,839.50                          |

Source:

1) Based on audited standalone financial statements of the Company as at and for the year ended March 31, 2016

2) Free Reserves are as per Companies Act, 2013

3) Profit and Loss account calculation:

| Description                                                    | As at March 31, 2016<br>Rs [Lakhs] |
|----------------------------------------------------------------|------------------------------------|
| Profit and Loss account as at 31 March 2016                    | 1,31,651.57                        |
| Less: Contingent liability on account of Income tax demand     | 1,471.71                           |
| Less: Contingent liability on account of Central Excise demand | 1518.28                            |
| <b>Balance</b>                                                 | <b>1,28,661.58</b>                 |

#### II. Maximum Paid up Equity Share Capital for Buy-back

| Particulars                                                                                                            | Number of Shares |
|------------------------------------------------------------------------------------------------------------------------|------------------|
| Total Paid up Equity Share Capital as at March 31, 2016                                                                | 1,12,66,504      |
| Maximum Permissible Buy Back of Paid up Equity Share Capital (25% of Paid up Equity Share Capital) in a financial year | 28,16,626        |

- The Board of Directors of the Company at their meeting held on 26th October 2016 have formed their opinion as specified in Clause (x) of Part A of Schedule II of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds, 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 the Board Meeting
- This report has been issued at the request of the Company in connection with the proposed buyback and cannot be used for any other purpose.

|                                                                                                                                                                          |                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| For S Krishnamoorthy & Co<br>Chartered Accountants<br>Firm Registration Number 001496S<br>Name of Auditor T.S.V Rajagopal<br>Designation Partner<br>Membership No 011178 | For Subbachar & Srinivasan<br>Chartered Accountants<br>Firm Registration Number 004083S<br>Name of Auditor T.S.V Rajagopal<br>Designation Partner<br>Membership No 200380 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Place: Coimbatore

Date: 26th October 2016"

Unquote

### 7. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

The Buy-Back Offer is open to all Shareholders holding Equity Shares as on Record Date i.e. November 8, 2016 in physical form ("Physical Shares") and beneficial owners holding Equity Shares in dematerialised form ("Demat Shares").

The Buy-Back Offer will be implemented by the Company through the Stock Exchange mechanism, as provided under the Buy Back Regulations and circular no CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by Securities and Exchange Board of India and in accordance with the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the committee / persons authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

For the implementation of the Buy-Back Offer, the Company has appointed Axis Capital Limited as the registered broker ("Company's Broker") through whom the purchases and settlements on account of the BuyBack Offer would be made by the Company. The contact details of the Company's Broker is as follows:

Axis Capital Limited

5th Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025

Tel: (91 22) 4325 2525, Fax: (91 22) 4325 5599

Contact Person: Mr. Ram Shinde

The Company shall request Recognized Stock Exchanges to provide a separate Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the platform will be as specified by the BSE from time to time.

At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the tendering period, the order for selling the Equity shares will be placed by the Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the

orders received from the Eligible Shareholders. The Shareholder Broker can enter orders for demat as well as physical shares.

### Methodology

#### a) Placing of orders

- The placing of orders on the exchange system shall be as per the trading hours of the secondary market. Eligible Person(s) who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective seller member by indicating to their broker the details of Equity Shares they intend to tender under the buyback. Shareholders holding physical Equity shares and intend to participate in the buyback will be required to approach the seller member along with complete set of documents for verification procedures to be carried out including the (i) original share certificate (ii) valid share transfer form (Form SH-4) duly filled in and signed by the transferors i.e by all registered shareholders in same order and as per the specimen signature registered with the Company/Registrar (iii) self-attested copy of PAN card (iv) any other relevant document such as power of attorney, corporate authorisation, death certificate / succession certificate, if the original shareholder has deceased, etc., as applicable. In case the address of the Eligible Person(s) has undergone a change from the address registered in the Register of Members of the Company, the Eligible Person(s) 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 or passport.
- Separate Acquisition Window will be provided by the Recognised Stock Exchanges to facilitate placing of sell orders. The details of the platform will be as specified by the Recognised Stock Exchanges from time to time.
- All eligible sellers through their respective stock brokers (Trading Members) will be eligible to place orders in the "Acquisition Window".

- During the tendering period, the trading members will have to ensure that the order for selling the shares is placed on behalf of eligible sellers. During order entry, members can enter orders for demat as well as physical shares.
- For orders for demat shares (except for Custodian Participant orders) early pay-in of securities is mandatory prior to placing of order and same shall be validated at the time of order entry. In this regard the Eligible Person(s) should ensure that they give the Delivery Instruction Slip to their respective Depository participant requesting them to make the tendered shares available to their seller member as early pay-in of securities.
- For Custodian Participant orders for demat shares early pay-in is mandatory prior to confirmation of order by custodian.

- In case of Custodian Participant orders the custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- For orders for physical shares the seller member(s) should place bids on the Acquisition Window with relevant details as mentioned on physical share certificate(s). The seller member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- The seller member/ custodian has to deliver the shares & documents along with TRS to the Registrar and Transfer Agent ("RTA"). Physical Share Certificates to reach RTA within 2 days of bidding by seller member. One copy of the TRS will be retained by RTA and RTA to provide acknowledgement of the same to the seller member/ custodian.

- In case of orders for physical shares, verification of physical certificates shall be done by the RTA on a daily basis and till such time the Recognised Stock Exchanges shall display such quantity as "unconfirmed physical bids". As and when the RTA confirms the records, such bids will then be treated as "confirmed bids" Please note that physical Equity Shares will not be accepted unless the complete set of documents is submitted.
- Modification / cancellation of orders will be allowed during the period the Buy Back is open. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- The cumulative quantity tendered shall be made available on the websites of the Recognised Stock Exchanges throughout the trading session and will be updated at specific intervals during the tendering period.

#### b) Acceptance of orders

- RTA shall provide details of order acceptance to Clearing Corporation within specified timelines.

#### c) Settlement of Shares

- Trading Members should use the settlement number to be provided by the clearing corporation to transfer the shares in favour of clearing corporation.
- The pay out of the shares shall be made to the securities pool account of the buying member.
- The direct credit of shares shall be given to the escrow demat account of the Company provided it is indicated by the Company's Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available.
- Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.
- In case of partial or non-acceptance of orders or excess pay-in, demat shares shall be released to the securities pool account of the selling member/ custodian.
- Any excess physical shares pursuant to acceptance or allotment or rejection will be released back to the investors directly by the registrar to the offer.

#### d) Settlement of Funds/Payment Consideration

- The settlement of fund obligation for demat and physical shares shall be effected through existing settlement accounts of trading members.
- Funds shall be made to the settlement account of the trading members who have entered the sell order for Eligible Person(s).
- Eligible Person(s) who intend to participate in the Buy Back should consult their respective seller member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the seller member upon the Eligible Person(s) for tendering Equity Shares in the Buy Back (secondary market transaction). The Buy Back consideration, to be received by Eligible Person(s), in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Person(s).

#### e) Special Account opened with the Clearing Corporation

The details of transfer of demat shares to Special account of Clearing Corporation by Trading member/ Custodian shall be informed in the issue opening circular that will be issued by the Recognized Stock Exchange / Clearing Corporation.

- The Buy Back shall be implemented in the manner and the procedure prescribed in the Companies Act, the Buy Back Regulations, circulars issued by the Recognised Stock Exchanges and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy Back) and on such terms and conditions as may be permitted by law from time to time.

### 9. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT

9.1. As required under the Buy Back Regulations, the Company has announced the record date (the "Record Date") of November 8, 2016 for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the Buy Back Offer.

9.2. The Equity Shares to be bought back as a part of this Buy Back Offer is divided into two categories: