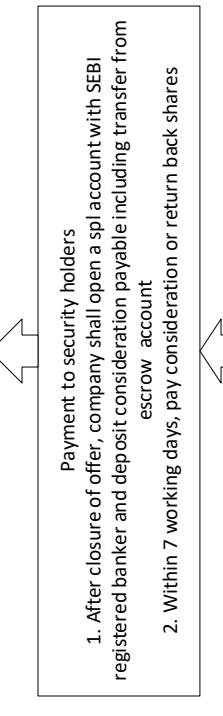
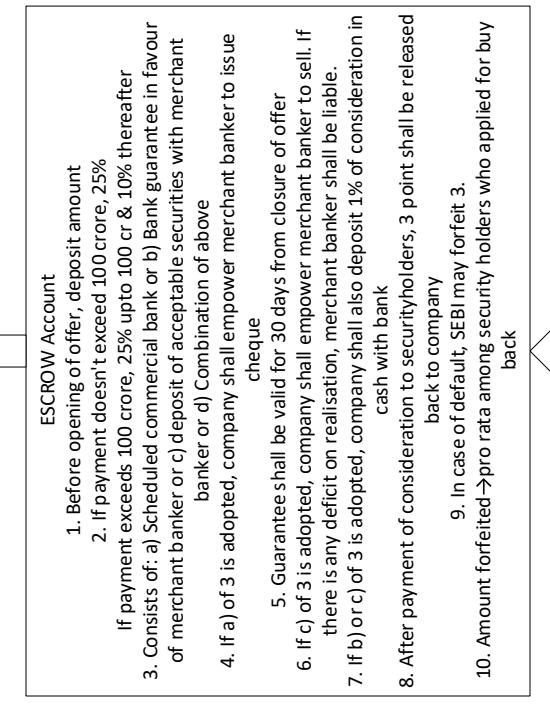
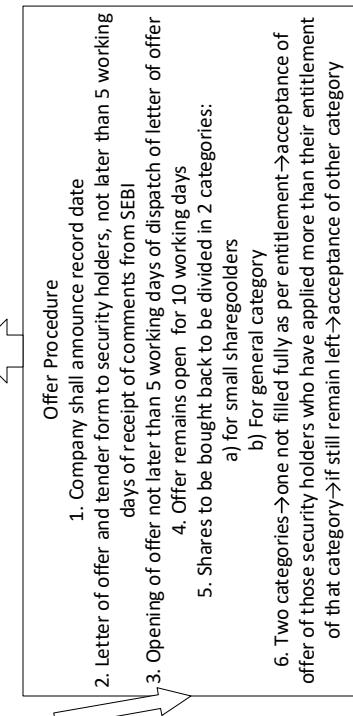


S E B I B U Y B A C K R E G U L A T I O N S

<p>Objectives of Buy-Back</p> <ol style="list-style-type: none"> 1. Improves EPS, ROC 2. Provides Exit route 3. Consolidation of stake 4. Prevent unwelcome takeover bids 5. Return surplus cash to shareholders 6. Achieve optimum capital structure 7. Support share price during sluggish market 8. Service equity more efficient <p>No Buy-Back allowed to Delist securities</p> <p>Articles should allow Buy-Back If not allowed, alter articles</p> <p>Approval BOD & Shareholders(SR) - Beyond certain limit In listed co., approval of shareholders will be obtained by postal ballot</p>	<p>Explanatory statement (Disclosures under Schedule II Part A)</p> <ol style="list-style-type: none"> 1. Date of board meeting 2. Necessity for buy back 3. Max price and basis of arriving buy back price. 4. Max number of securities for buy back 5. Max amount required and % of paid up and free reserves 6. Method of adopting buy back 7. a) shareholding of promoters and directors of promoters where promoter is a company, as on the date of notice convening of GM or meeting of BOD. B) no. of shares sold or purchased by persons in a) from a period of six months preceding the date of BMT till date of notice convening the M C) max and min price at which above transactions made with dates 8. Intention of promoters to tender shares for buy back indicating no. of shares, details of acquisition with date and price 9. Confirmation of no defaults in repayment of deposit, debentures, preference shares & term loans 10. Confirmation from BOD regarding: <ol style="list-style-type: none"> A) No grounds of inability to pay debts immediately followin the date of GM or Board meeting B) Company will not be insolvent within 1 year from that date C) While informing above opinion, directors shall take into account liabilities as if the company were being wound up under companies act, 2013 11. Report to BOD by auditors stating: <ol style="list-style-type: none"> a) They have inquired into affairs of company b) Amount of permissible capital properly determined c) opinion of board as per point no. 10 is based on reasonable grounds 		<p>Methods of Buy-Back</p> <ol style="list-style-type: none"> 1. From existing security holders on proportionate basis. 2. From open market through- <ol style="list-style-type: none"> A) Book building B) Stock exchange 3. From odd lot holders <p>Note- No Buy back > 15% of paid up and free reserves from open market</p> <p>No Buy back through negotiated deals</p> <p>No Buy back within 1 year from closure of previous buy back</p> <p>No insider dealing on basis of unpublished source information</p>	<p>Board Resolution(BR)</p> <ol style="list-style-type: none"> 1. Copy of resolution with SEBI and exchange within 2 working days of passing of resolution 2. Board can authorize max 10% of paid up and free reserves. 3. Can't be passed by circulation <p>SR</p> <ol style="list-style-type: none"> 1. Explanatory statement including disclosures under Schedule II part A to be send with notice of meeting 2. Copy of resolution with SEBI and stock exchange within 7 days of resolution
<p>Explanatory statement (Disclosures under Schedule II Part A)</p> <ol style="list-style-type: none"> 1. Company shall destroy physical security certificate in presence of registrar to issue or merchant banker and stat auditor within 15 days of acceptance of offer. 2. Company also ensure securities bought back are extinguished within 7 days of completion of buy back. 3. If dematerialised, destroy as per SEBI regulations 4. Company shall furnish certificate to SEBI by 7th of succeeding month for complaince above, certified by: <ol style="list-style-type: none"> a) Registrar, if there is no registrar - by merchant banker b) Two directors of company, one of whom shall be MD c) Stat auditor of company 5. Furnish particulars of securities destroyed to exchange by 7th of succeeding month and maintain records of particulars. 	 <p>Payment to security holders</p> <ol style="list-style-type: none"> 1. After closure of offer, company shall open a spl account with SEBI registered banker and deposit consideration payable including transfer from escrow account 2. Within 7 working days, pay consideration or return back shares 	 <p>ESCROW Account</p> <ol style="list-style-type: none"> 1. Before opening of offer, deposit amount 2. If payment doesn't exceed 100 crore, 25% If payment exceeds 100 crore, 25% upto 100 cr & 10% thereafter 3. Consists of: a) Scheduled commercial bank or b) Bank guarantee in favour of merchant banker or c) deposit of acceptable securities with merchant banker or d) Combination of above 4. If a) or 3 is adopted, company shall empower merchant banker to issue cheque 5. Guaranteee shall be valid for 30 days from closure of offer 6. If c) of 3 is adopted, company shall empower merchant banker to sell. If there is any deficit on realisation, merchant banker shall be liable. 7. If b) or c) of 3 is adopted, company shall also deposit 1% of consideration in cash with bank 8. After payment of consideration to securityholders, 3 point shall be released back to company 9. In case of default, SEBI may forfeit 3. 10. Amount forfeited → pro rata among security holders who applied for buy back 	 <p>Offer Procedure</p> <ol style="list-style-type: none"> 1. Company shall announce record date 2. Letter of offer and tender form to security holders, not later than 5 working days of receipt of comments from SEBI 3. Opening of offer not later than 5 working days of dispatch of letter of offer 4. Offer remains open for 10 working days 5. Shares to be bought back to be divided in 2 categories: <ol style="list-style-type: none"> a) for small sharegoelders b) For general category 6. Two categories → one not filled fully as per entitlement → acceptance of offer of those security holders who have applied more than their entitlement of that category → if still remain left → acceptance of other category 	

