

LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Registered Shareholder(s) of Shervani Industrial Syndicate Limited (the “Company” or “SISL”) as on Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager to the Buyback (VC Corporate Advisors Private Limited) or Registrar to the Buyback (Link Intime India Private Limited). Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.

SHERVANI INDUSTRIAL SYNDICATE LIMITED

CIN: L45202UP1948PLC001891

Registered Office: Shervani Nagar, Sulem Sarai, Harwara, Allahabad- 211011

Tel no: 91-532-2102306; Fax: 91-532-2436928;

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

Company Secretary and Compliance Officer: Mr. B.K. Misra

CASH OFFER FOR BUYBACK OF UP TO 2,46,500 (TWO LAKHS FORTY SIX THOUSAND AND FIVE HUNDRED ONLY) FULLY PAID-UP ORDINARY SHARES OF FACE VALUE OF RS. 10 EACH, REPRESENTING 7.56% OF THE TOTAL NUMBER OF ORDINARY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL OF THE COMPANY AS ON MARCH 31, 2017, FROM ALL THE PUBLICSHAREHOLDERS OF THE COMPANY AS ON SEPTEMBER 1, 2017 (THE RECORD DATE), ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE AT A BUYBACK PRICE OF RS. 205 (RUPEES TWO HUNDRED AND FIVE ONLY) PER ORDINARY SHARE PAYABLE IN CASH FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING RS.5,05,32,500 (RUPEES FIVE CRORES FIVE LAKHS THIRTY TWO THOUSAND AND FIVE HUNDRED ONLY)

1. The Buyback is in accordance with Article 5A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, the relevant Rules framed thereunder and the provisions of the Buyback Regulations. The Buyback is subject to approvals, permissions and sanctions as may be necessary from regulatory authorities as required under applicable laws, including but not limited to SEBI and BSE where the ordinary shares of the Company are listed. The Buyback would be facilitated by tendering of Ordinary Shares by public shareholders and settlement of the same through the stock exchange mechanism as specified in accordance with SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time, which prescribes mechanism for tendering and settlement of ordinary shares through stock exchange. For the purpose of this Buyback, BSE would be the Designated Stock Exchange.
2. The Buyback Size represents 9.63% and 9.99% of the aggregate of the fully paid-up ordinary share capital and free reserves (including securities premium) as per the standalone and consolidated audited accounts of the Company for the financial year ended 31st March, 2017 respectively and is within the statutory limits of 10% of the aggregate of the fully paid-up ordinary share capital and free reserves as per the Audited Standalone and Consolidated Financial Statements.
3. The Letter of Offer will be sent to the Shareholder(s) / Beneficial Owner(s) of Ordinary Shares of the Company as on the Record Date i.e. September 1, 2017.
4. The procedure for tender and settlement is set out in Paragraph 20 of this Letter of Offer. The tender form (“Tender Form”) is enclosed together with this Letter of Offer.
5. For mode of payment of consideration to the Shareholders, please refer to Paragraph 20 of this Letter of Offer.
6. A copy of the Public Announcement, Corrigendum to the Public Announcement and this Letter of Offer (including the Tender Form) will be available on the website of SEBI- <http://www.sebi.gov.in>.
7. Shareholders are advised to refer to Paragraph 17 (Details of the Statutory Approvals) and Paragraph 21 (Note on Taxation) of this Letter of Offer before tendering their Shares in the Buyback.

BUYBACK OPENS ON: MONDAY, OCTOBER 30, 2017

BUYBACK CLOSING ON: FRIDAY, NOVEMBER 10, 2017

LAST DATE AND TIME OF RECEIPT OF COMPLETED APPLICATIONS, FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL

SHARE CERTIFICATES BY THE REGISTRAR: MONDAY, NOVEMBER 13, 2017 by 5 P.M.

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



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

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1. SCHEDULE OF ACTIVITIES

ACTIVITIES	DATE	DAY
Date of Board Meeting approving the Buyback	14.08.2017	Monday
Date of Public Announcement for Buyback	16.08.2017	Wednesday
Date of publication of Public Announcement for Buyback	18.08.2017	Friday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	01.09.2017	Friday
Buyback Opening date	30.10.2017	Monday
Buyback Closing date	10.11.2017	Friday
Last date of receipt of the completed tender forms and other specified documents including physical Ordinary share certificates by the Registrar	13.11.2017	Monday
Last Date of verification of Tender Forms by the Registrar	18.11.2017	Saturday
Last date of intimation regarding acceptance / non-acceptance of Tendered Ordinary Shares to the BSE Limited by the Registrar	20.11.2017	Monday
Last date of Settlement of Bids on the BSE Limited	21.11.2017	Tuesday
Last date of dispatch of share certificate(s) by Registrar / return of unaccepted demat Ordinary Shares by BSE Limited to Selling Member	21.11.2017	Tuesday
Last date of Extinguishment of Ordinary Shares	27.11.2017	Monday

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Ordinary Shares tendered by Eligible Shareholder(s) in the Buyback Offer
Act or Companies Act	The Companies Act, 2013, as amended
Acquisition Window	The facility for acquisition of Ordinary Shares through mechanism provided by BSE Limited in the form of a separate window in accordance with the SEBI Circulars.
Additional Shares	Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such shareholder not exceeding the ordinary shares held by such eligible shareholder as on the record date
Articles	Articles of Association of the Company
Board	The Board of Directors or the Committee of Directors of the Company
Board Meeting	Meeting of Board of Directors of Shervani Industrial Syndicate Limited held on August 14, 2017 approving the proposal for the Buyback of Ordinary Shares
BSE	BSE Limited
Buyback Regulations / SEBI (Buyback of Securities) Regulations, 1998	Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended
Buyback Entitlement or Entitlement	The number of Ordinary Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buyback applicable in the category, to which such Shareholder belongs to.
Buyback or Buyback Offer or Offer	Offer by Shervani Industrial Syndicate Limited to Buyback up to 2,46,500 Ordinary Shares having face value of Rs.10/- each at a price of Rs. 205 per Ordinary Share from the Public Shareholder of the Company on a proportionate basis through Tender Offer route.
Buyback Price or Offer Price	Price at which shares will be bought back from the Eligible Shareholder i.e. Rs. 205/- per ordinary share, payable in cash
Buyback Size or Offer Size	Number of Shares proposed to be bought back multiplied by the Buyback Price i.e. Rs.5,05,32,500/- [Rupees Five Crores Five Lakhs Thirty Two Thousand Five Hundred Only]
Company	Shervani Industrial Syndicate Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Eligible Shareholder(s) or Shareholder(s) or Members	Person(s) eligible to participate in the Buyback Offer and would mean all shareholders/beneficial owner(s) of Ordinary Shares of the Company as on Record Date i.e. September 1, 2017.
Escrow Account	The Escrow Account titled "SISL- Buyback Offer Escrow Account" to be opened with the Escrow Agent in terms of Escrow Agreement
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The escrow agreement entered into between the Company, the Manager to the Offer and Escrow Agent.
FEMA	Foreign Exchange Management Act, 1999
Offer Form / Tender Form	Form of Acceptance-cum-Acknowledgement
General Category	Eligible Shareholders other than the Small Shareholders
ITA or IT Act or Income Tax Act	Income Tax Act, 1961, as amended from time to time
LOF or Offer Document	Letter of Offer
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Manager to the Buyback or Manager to the Offer	VC Corporate Advisors Private Limited
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB)
NSDL	National Securities Depository Limited
Ordinary Share(s) or Share(s)	The Company's fully paid-up ordinary share(s) of face value of Rs. 10/- (Rupees Ten) each
Offer Period or Tendering Period or Tender Period	Period of ten working days from the date of opening of the Buyback Offer i.e. October 30, 2017 till its closure i.e. November 10, 2017 (both days inclusive)
PA or Public Announcement	The Public Announcement dated 16.08.2017, made in accordance with the Buyback Regulations, published on 18.08.2017 in Financial Express(English), Jansatta (Hindi) (English and Hindi national daily), and Aaj (Hindi Allahabad edition), each with wide circulation
PAN	Permanent Account Number
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom this Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with Buy Back Regulations. The Record Date determined

	for this Buyback Offer is September 1, 2017.
Registrar to the Buy Back or Registrar to the Offer	Link Intime India Private Limited
Reserved Category	The Small Shareholders eligible to tender Shares in the Buyback
SEBI	Securities and Exchange Board of India
SEBI Circulars	SEBI circular number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9,2016, as may be amended from time to time.
Seller Member or Seller Broker	A stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Share Capital Rules	The Companies (Share Capital and Debentures) Rules, 2014
Small Shareholder	A Shareholder, who holds Shares of market value not more than Rs. 2,00,000/- (Rupees Two Lakhs only), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. September 1, 2017
Stock Exchange or Recognized Stock Exchange	BSE Ltd, being the Stock Exchange where the shares of the Company are listed.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Tender Offer	Method of Buyback as defined in Regulation 2(1)(o) of the Buyback Regulations
TRS	Transaction Registration Slip
Working Day	Working day as defined in Regulation 2(1)(p) of the Buyback Regulations.

3. DISCLAIMER CLAUSE

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

3.2 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Manager to the Buyback is expected to exercise Due Diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, M/s. VC Corporate Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated 25.08.2017 in accordance with Buyback Regulations which reads as follows:

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

- the Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;
- all the legal requirements connected with the said Buyback offer including SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- the disclosures in the Public Announcement and Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well-informed decision in respect of the captioned Buyback offer;
- funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”

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

3.4 Promoters/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/mis-representation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement/mis-representation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI (Buyback of Securities) Regulations, 1998, as amended.

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

4 TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

"RESOLVED THAT pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the "**Companies Act**"), and in accordance with Article 5A of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**") to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the "**Buyback Regulations**"), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India ("**SEBI**"), Registrar of Companies, Kanpur, Uttar Pradesh ("**ROC**") and/ or other authorities, institutions or bodies (the "**Appropriate Authorities**"), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "**Board**" which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up Ordinary shares of face value of Rs. **10/-** each not exceeding **2,47,400** (Two Lakhs Forty Seven Thousand Four Hundred) ordinary shares (representing 7.59% of the present total number of ordinary shares in the paid-up ordinary share capital of the Company) at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per ordinary share (the "**Buyback Offer Price**") payable in cash for an aggregate consideration not exceeding Rs. 5,07,17,000/- (Rupees Five Crores Seven Lakhs Seventeen Thousand Only) (excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty, other taxes etc) (the "**Buyback Offer Size**") being 9.67%, of the aggregate of the fully paid-up ordinary share capital and free reserves (including securities premium) as per the standalone audited accounts of the Company for the financial year ended 31st March, 2017 from the ordinary shareholders of the Company, as on the record date to be fixed, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations.

RESOLVED FURTHER THAT the Company do implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange", to the extent legally permissible as notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.

RESOLVED FURTHER THAT the Buyback would be subject to maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 ("**Listing Regulations**")

RESOLVED FURTHER THAT the amount required by the Company for the Buyback is intended to be met out of the Company's internal accruals as may be permitted by law through "Tender Offer" route and as required by the Buyback Regulations and the Companies Act, the Company may buyback ordinary shares from all the existing members holding ordinary shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of ordinary shares which the Company proposes to buyback or number of ordinary 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 prescribed under proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Company has complied and shall continue to comply with, Section 70 of the Companies Act, 2013 wherein:

- a) It shall not directly or indirectly purchase its own shares:
 - i. through any subsidiary company including its own subsidiary companies; or
 - ii. through any investment company or group of investment companies; or
- b) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company, in the last three years.
- c) The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act, 2013.

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) all ordinary shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not buyback locked-in shares Ordinary shares and non-transferable ordinary shares till the pendency of the lock-in or till the ordinary shares become transferable.
- f) the Company shall not buy back its ordinary shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- g) that the aggregate consideration for Buyback not exceeding Rs. 5,07,17,000/- (Rupees Five Crores Seven Lakhs Seventeen Thousand Only), does not exceed 10% of the aggregate of the fully paid-up ordinary share capital and free reserves (including securities premium) as per the latest standalone audited accounts of the Company for the financial year ended 31st March, 2017 (the last audited financial statements available as on the date of the Board meeting);
- h) that the maximum number of ordinary shares proposed to be purchased under the Buyback i.e. 2,47,400 (Two Lakhs Forty Seven Thousand and Four Hundred) ordinary shares, does not exceed 25% of the total present number of ordinary shares in the paid-up share capital of the company;
- i) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act, 2013 and rules made thereunder;
- j) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board hereby confirms that the Board of Directors have made a full enquiry into the affairs and prospects of the Company and that based on such full inquiry conducted into the affairs and prospects of the Company, the Board of Directors has formed an opinion that:

- a) Immediately, following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of this board meeting 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 this Board meeting; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified), as the case may be, including prospective and contingent liabilities.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders excluding the Promoter(s)/Promoter Group of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended ("SEBI Takeover Regulations") as the Board may consider appropriate, from out of its internal accruals of the Company.

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

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

RESOLVED FURTHER THAT the draft of the Declaration of Solvency along with the annexures including the Statement of Assets and Liabilities as at 31st March, 2017 prepared in the prescribed form and other documents in terms of Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, draft as placed before the meeting and Mr. Saleem

Iqbal Shervani Managing Director and Mr. Tahir Hasan, Whole-time Director of the Company be and are hereby severally authorized to finalize and sign the same, for and on behalf of the Board, and file the same with the ROC, Stock Exchanges and SEBI in accordance with applicable law.

RESOLVED FURTHER THAT the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any.

RESOLVED FURTHER THAT as per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares or other specified securities within a period of 6 months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat ordinary or conversion of preference shares or debentures into ordinary shares.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and Buyback Regulations.

RESOLVED FURTHER THAT the approval of Board for appointment of intermediaries such as Manager to the Offer i.e. VC Corporate Advisors Pvt. Ltd, Registrar and Transfer Agent i.e. Link Intime (India) Private Limited and Escrow Banker, i.e., HDFC Bank Ltd. be and is hereby accorded.

RESOLVED FURTHER THAT a Committee be constituted ("**Buyback Committee**") comprising of Mr. Saleem Iqbal Shervani, Managing Director, Mr. Tahir Hasan and Mr. Mohd. Aslam Sayeed, Directors, and that Mr. B.K. Misra, Company Secretary shall act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) finalizing the terms of buyback like the mechanism for the buyback, record date, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
- b) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- c) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- d) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, ROC, the stock exchanges and other Appropriate Authority;
- e) making all applications to the appropriate authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- f) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- g) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/persons, including by the payment of commission, brokerage, fee, charges etc and enter into agreements/ letters in respect thereof;
- h) to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
- i) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
- j) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- k) dealing with stock exchanges (including their clearing corporations), where the shares of the Company are listed, and to sign, execute, and deliver such documents may be necessary or desirable in connection with implementing the Buyback using "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI circular CIR/CFD/POL|CYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.

- l) to delegate all or any of the authorities conferred on them to any Director(s)/KMP/ Officer(s)/Authorized Signatory(ies)/ Representative(ies) of the Company.
- m) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- n) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two Directors.

RESOLVED FURTHER THAT in terms of Regulation 19(3) of the Buyback Regulations, Mr. B.K. Misra, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by Law.

RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of ordinary shares bought back, consideration paid for the ordinary shares bought back, date of cancellation of ordinary shares and date of extinguishing and physically destroying of ordinary shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorized to authenticate the entries made in the said register.

RESOLVED FURTHER THAT any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, Kanpur, Uttar Pradesh and other regulatory authorities as maybe required under the Companies Act and the Buyback Regulations and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions."

5 DETAILS OF PUBLIC ANNOUNCEMENT

5.1 In accordance with Regulation 8(1) of the Buyback Regulations, the Company has made the Public Announcement dated 16.08.2017, which was published in the following newspapers on 18.08.2017:

Publication	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Aaj	Hindi	Allahabad Edition

5.2 The Public Announcement was issued within 2 (two) Working Days from the date of passing the resolution by the Board of Directors approving the Buyback on 14.08.2017.

5.3 A Corrigendum to the Public Announcement dated October 14, 2017 was published in the above mentioned newspapers on October 16, 2017.

5.4 A copy of the Public Announcement and Corrigendum to Public Announcement is available on the SEBI website at www.sebi.gov.in.

6 DETAILS OF THE BUY BACK

6.1 The Buyback has been authorized by a resolution of the Board of Directors on 14.08.2017. The details of the Buyback approved by the Board of Directors at their meeting held on 14.08.2017 are set out below:

Name of the Company	Shervani Industrial Syndicate Limited
Maximum number of shares proposed to be bought back	The Company approved Buyback of up to 2,47,400 (Two Lakhs Forty Seven Thousand and Four Hundred) Ordinary Shares of face value of Rs. 10 each of the Company. (Refer Para 6.2 below)
Number of Shares to be bought back as a percentage of existing paid-up capital of the Company	The Shares to be bought back pursuant to the Buyback represents 7.59% of the total number of ordinary shares in the total paid up ordinary share capital of the Company as on March 31, 2017.
The price at which the shares are to be bought back	The Shares of the Company are proposed to be bought back at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per share.
The Regulations of SEBI/provisions of the	The Buyback is being undertaken in terms of Chapter III of the Buyback

Companies Act in accordance with which the Buyback offer is made	Regulations through tender offer route and in accordance with other applicable provisions of the Buyback Regulations, the SEBI Circulars, LODR Regulations and Sections 68, 69, 70 and other applicable provisions, if any, of the Act, and the relevant rules framed thereunder, including the Share Capital Rules, to the extent applicable.
The methodology to be adopted for the Buyback	The Buyback shall be on a proportionate basis through the "Tender Offer" route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circulars.
The maximum amount to be expensed towards Buyback and its percentage w.r.t. the fully paid-up share capital and free reserves of the Company	The maximum amount required for Buyback will not exceed Rs. 5,07,17,000 (Rupees Five Crores Seven Lakhs and Seventeen Thousand Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc. The said amount works out to 9.67% of the aggregate of the fully paid-up share capital and free reserves (including Securities Premium) as per the Audited Standalone Financial Statements of the Company as on March 31, 2017 and is within the prescribed limit of 10%. (refer Para 6.2 below)
The details of the shareholding of the promoters and its percentage w.r.t. the total paid up Capital of the company	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Letter of Offer.
Intention of the promoters to participate in the offer	The Promoters have expressed their intention not to participate in the Buyback. For details, please refer to Paragraph 9 (Management discussion and analysis of the likely impact of Buyback on the Company) of the Letter of Offer.
Promoters shareholding after the Buyback	For details, please refer to Paragraph 13 (Capital Structure and Shareholding Pattern) of the Letter of Offer.

6.2 The Buyback Committee of the Board of Directors of the Company at their meeting held on September 15, 2017 has revised the maximum number of ordinary shares proposed to be bought back from 2,47,400 (Two Lacs Forty Seven Thousand Four Hundred) ordinary shares to 2,46,500 (Two Lakhs Forty Six Thousand Five Hundred) ordinary shares (representing 7.56% of the present total number of ordinary shares in the paid-up ordinary share capital of the Company) at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per ordinary share (the "**Buyback Offer Price**") payable in cash for an aggregate consideration not exceeding Rs. 5,05,32,500/- (Rupees Five Crores Five Lakhs Thirty Two Thousand Five Hundred Only) (excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty, other taxes etc) (the "**Buyback Offer Size**") being 9.63% and 9.99% of the aggregate of the fully paid-up ordinary share capital and free reserves (including securities premium) as per the standalone and consolidated audited accounts of the Company for the financial year ended 31st March, 2017 respectively.

6.3 Pursuant to the proposed Buyback and depending on the response to the Buyback, the shareholding of Promoter and Promoter Group in the Company would change from the existing 60.21% holding, as on date of letter of offer, in the total share capital and voting rights of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such change in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company.

7 AUTHORITY FOR THE BUYBACK

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

7.2 The Buyback would be facilitated by tendering of Ordinary Shares by eligible shareholders and settlement of the same through the stock exchange mechanism in accordance with SEBI circular number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015, read with SEBI circular number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time, which prescribes mechanism for tendering and settlement of shares through stock exchange. For the purpose of this Buyback, BSE would be the Designated Stock Exchange.

7.3 The Board of Directors at their meeting held on August 14, 2017 passed a resolution approving Buyback of up to 2,47,400 Ordinary Shares of the Company.

7.4 The Buyback Committee of the Board of Directors of the Company at their meeting held on September 15, 2017 has revised the maximum number of ordinary shares proposed to be bought back from 2,47,400 (Two Lacs Forty Seven

Thousand Four Hundred) ordinary shares to 2,46,500 (Two Lakhs Forty Six Thousand Five Hundred) ordinary shares (representing 7.56% of the present total number of ordinary shares in the paid-up ordinary share capital of the Company).

8 NECESSITY OF THE BUYBACK

8.1 Share Buyback is the acquisition by a Company of its own shares. The objective is to return surplus cash to the shareholders of the Company. The Board at its meeting held on August 14, 2017 considered the free reserves as well as the cash liquidity reflected in the Audited Standalone Financial Statements as on March 31, 2017 and decided to allocate a sum of Rs. 5,07,17,000 (Rupees Five Crores Seven Lakhs Seventeen Thousand Only) excluding Company's transaction costs such as brokerage, securities transaction tax, stamp duty and taxes etc. for distributing to the eligible shareholders who participate in the Buyback.

8.2 The Buyback Committee of the Board of Directors of the Company at their meeting held on September 15, 2017 revised the quantum of Buyback Offer Size to an aggregate consideration not exceeding Rs. 5,05,32,500/- (Rupees Five Crores Five Lakhs Thirty Two Thousand Five Hundred Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty, other taxes etc.

8.3 After considering several factors and benefits, the Board decided to recommend Buyback of ordinary shares from the public shareholders of the Company, inter-alia, for the following reasons:

- i) The Buyback will help the Company to return surplus cash to its shareholders holding ordinary shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- ii) The Buyback would help in improving return on equity by reduction in the share capital base and increasing shareholder value in the longer term;
- iii) The Buyback gives an option to the shareholders holding ordinary shares of the Company, who can choose to participate and get cash in lieu of shares to be accepted under the Buyback offer or they may choose not to participate and be benefitted of a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;
- iv) Optimizes the capital structure.
- v) Mitigating the Short Term Market Volatility

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

9.1 We believe that the Buyback is not likely to cause any material impact on the profitability or earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming full response to the Buyback, the funds deployed by the Company towards the Buyback would not exceed Rs. 5,05,32,500/- (Rupees Five Crores Five Lakhs Thirty Two Thousand Five Hundred Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty, other taxes etc.

9.2 The Promoter and Promoter Group of the Company have expressed vide their letters dated August 14, 2017 their intention not to participate in the proposed Buyback, in writing and have irrevocably waived their rights as shareholders in respect of this Buyback offer.

9.3 The Buyback of Equity shares of the Company will not result in a change in control or otherwise effect the existing management structure of the Company.

9.4 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoter and Promoter Group Companies after the completion of the Buyback shall increase to 65.14% of the post-Buyback total paid-up ordinary share capital of the Company from 60.21% of the pre-Buyback total paid-up ordinary share capital of the Company, and the aggregate shareholding of the public in the Company shall decrease to 34.86% of the post-Buyback total paid-up ordinary share capital of the Company from 39.79% of the pre-Buyback total paid-up ordinary share capital of the Company.

9.5 The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.

- 9.6 Consequent to the Buyback and based on the number of Ordinary Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of each such person shall undergo a change.
- 9.7 The debt-equity ratio after the completion of the Buyback will be within the permissible limit of 2:1 prescribed by the Act, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.8 The Company believes that the Buyback will not impact the growth opportunities of the Company.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of the Buyback offer except in discharge of its subsisting obligations.
- 9.10 The Company shall not issue new shares or other specified securities including by way of bonus till the date of closure of the Buyback.
- 9.11 The Promoters shall not deal in the Shares of the Company, including any inter se transfer of shares amongst the promoters / promoter group for the period between the date of passing of the Board Resolution and the date of the closure of the Buyback in accordance with the Buyback Regulations.
- 9.12 Salient financial parameters pursuant to the Buyback based on the Standalone and Consolidated audited financial statements of the Company for the year ended March 31, 2017 are set out below:

Parameter	Pre-Buy Back		Post-Buy Back	
	Standalone	Consolidated	Standalone	Consolidated
Net worth (Rs. in lakhs) ^a	5246.79	5058.82	4741.47	4553.50
Return on net worth (%) ^b	28.69%	31.39%	31.75%	34.88%
Earnings per Share (Rs.) ^c	45.89	48.42	49.94	52.70
Book value per Share (Rs.) ^d	160.93	155.17	157.33	151.09
Price/earnings as per financial statements for the financial year ended March 31, 2017 ^e	6.10	5.78	5.61	5.31
Total debt / equity ratio ^f	0.019	0.02	0.021	0.022

Note:

Pre and post Buyback calculations are based on audited standalone financial statements of the Company as on March 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit & loss. Net worth used excludes revaluation reserves.

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

b. Return on net worth is computed as profit after tax for the relevant period divided by closing net worth as at March 31, 2017.

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

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

e. Price/Earnings is calculated on the closing market price of Shares on BSE as on 18.08.2017 i.e., date of publication of Public Announcement being Rs. 280.00 divided by Earnings per share pre and post Buyback respectively.

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

10 BASIS OF CALCULATING BUYBACK OFFER PRICE

10.1 The Shares of the Company are proposed to be bought back at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per share ("**Buyback Offer Price**"). The Buyback Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Shares on the BSE where the shares of the Company are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per share.

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

10.3 The Buyback Price per share has been arrived at after considering various factors such as the volume weighted average market prices of the ordinary shares of the Company on BSE for the last 6 months preceding the month of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback, the net worth of the Company and the impact of the Buyback on the earnings per share of the Company. The Buyback Price per share represents a premium of 0.02% over the volume weighted average market prices of the Company's ordinary shares on BSE for 6 months preceding the month of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback.

10.4The Buyback Price is higher by 27.38% over the book value per share as on March 31, 2017 of the company on a standalone basis, which was Rs. 160.93 per Ordinary Share.

10.5The basic EPS of the Company prior to the Buyback for the year ending March 31, 2017 was Rs. 45.89 per share and Rs. 48.42 per Share on a standalone and consolidated basis respectively. Assuming full acceptance under the buyback, the EPS of the Company will be Rs. 49.94 per share and Rs. 52.70 per share post Buyback, on a standalone and consolidated basis respectively. Pre and post buyback calculations are based on audited standalone/ consolidated financials of the Company as on March 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit and loss.

10.6The return on net worth of the Company on a standalone and consolidated basis was 28.69% and 31.39% respectively as on March 31, 2017, which will increase to 31.75% and 34.88% on standalone and consolidated basis respectively post Buyback assuming full acceptance of the Buyback. Pre and post buyback calculations are based on standalone and consolidated audited financial statements of the Company as on March 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit and loss. Net worth excludes revaluation reserves.

11 SOURCES OF FUND FOR THE BUYBACK

11.1Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of up to 2,46,500(Two Lakhs Forty Six Thousand and Five Hundred) Ordinary Shares at a price of Rs. 205/-(Rupees Two Hundred and Five Only) per Share not exceedingRs.5,05,32,500/-(Rupees Five Crores Five Lakhs Thirty Two Thousand Five Hundred Only) excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and taxes etc.

11.2The funds for the Buyback will be sourced from internal accruals. The Company has confirmed that the funds for the Buyback will be sourced out of the free reserves including the securities premium account or such other means as may be permissible under the Buyback Regulations or the Act.

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

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

12.1In accordance with Regulation 10 of the Buyback Regulations, an escrow agreement ("**Escrow Agreement**") was entered into amongst the Company, the Manager to the Buyback and the Escrow Agent on August 14, 2017.

12.2In accordance with the Buyback Regulations and pursuant to the Escrow Agreement, the Company has opened an Escrow Account in the name and style "SISL- Buyback Offer Escrow Account" bearing account number 5750000084391 with HDFC Bank Limited ("**Escrow Agent**") having its branch at Central Plaza, 2/6 Sarat Bose Road, Kolkata- 700 020. In accordance with Regulation 10 of the Buyback Regulations, the Company has deposited a sum of Rs. 1,26,50,000 /-(Rupees One Crore Twenty Six Lakhs and Fifty Thousand Only) in the Escrow Account. In accordance with the Buy Back Regulations, the Manager to the Buyback is empowered to operate the Escrow Account.

12.3P.L.Tandon & Co. Chartered Accountants, (Firm Registration No. 000186C) having their office at Westcott Building, Mahatma Gandhi Road, The Mall, Kanpur-208001, Telephone: 0512-2366774, have certified vide their certificate dated August 14, 2017 that the Company has adequate funds for the purposes of the Buyback.

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

13 CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

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

A	AUTHORISED SHARE CAPITAL	
	65,00,000 Ordinary Shares of face value of Rs. 10/- each	Rs. 650,00,000
B	ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL BEFORE THE BUYBACK	
	32,60,250 Ordinary Shares of face value of Rs. 10/- each	Rs. 3,26,02,500

13.2 The Company has not undertaken any Buyback of its Shares in the last three years.

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

13.4 The Company confirms that it shall not issue, including through a bonus issue, Shares or any other specified securities, till the date of closure of the Buyback offer in compliance with Regulation 19(1)(b) of the Buyback Regulations.

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

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

ISSUED, SUBSCRIBED AND PAID-UP ORDINARY SHARE CAPITAL AFTER THE BUYBACK	
30,13,750 Ordinary Shares of the face value of Rs. 10/- each	Rs. 3,01,37,500

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

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

Particulars	Pre-Buyback*		Post-Buyback#	
	Number of Shares	% of Shareholding	Number of Shares	% of Shareholding
Promoter and persons acting in concert (collectively "the Promoters")	19,63,040	60.21	19,63,040	65.14%
Foreign Investors (including Non-Resident Indians, FII and Foreign Mutual funds)	0	0.00%	10,50,710	34.86%
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	1	0.19%		
Others (Public, Public Bodies Corporate etc.)	12,97,209	39.60%		
Total	32,60,250	100.00	30,13,750	100.0000%

* As on Record Date on September 01, 2017

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

13.9 The aggregate shareholding of the Promoters and Promoter Group Companies, Directors of the Promoter Group Companies and the Directors and Key Managerial Personnel of the Company as on the date of Board Meeting i.e., 14.08.2017 is given below:

Sl. No	Name	Ordinary shares held	% of the total ordinary share capital
1.	Saleem Iqbal Shervani	427580	13.11
2.	Saeed Mustafa Shervani	183410	5.63
3.	Azher Nisar Shervani	149655	4.59
4.	Tahir Hasan	15415	0.47
5.	Salma Hasan	110943	3.40
6.	Rubina Shervani	66655	2.04
7.	Saad Mustafa Shervani	96130	2.95
8.	Mustafa Rashid Shervani	76575	2.35
9.	Ursala Fatima Shervani	87835	2.69
10.	Zeba Hasan	141602	4.34
11.	Zehra Shervani	14400	0.44
12.	AisraKidwai	14580	0.45
13.	Shamsia Fatima Shervani	11790	0.36
14.	Mohd. Aadil Mustafa Shervani	7840	0.24
15.	Azher Family Trust	55065	1.69
16.	Saeed Family Trust	55830	1.71
17.	Salma Zeba Family Trust	61870	1.90
18.	Saleem Family Trust	60985	1.87
19..	Aslam Family Trust	46445	1.42
20	Waqf Haji Bhikkan	7840	0.24
21.	Shervani Enterprises Pvt. Ltd. (Formerly known as Shervani Fabrics Pvt. Ltd.)	1450	0.04

Sl. No	Name	Ordinary shares held	% of the total ordinary share capital
22.	Reed Finance Private Limited	269145	8.26
TOTAL		1963040	60.21

13.9.1. Aggregate shareholding of the Directors of the Promoter Group Companies as on 14.08.2017:

Sl. No.	Name	Ordinary shares held	% of the total paid up share capital
1	Mr. A. N. Shervani, Director Shervani Enterprises Pvt. Ltd. (Formerly known as Shervani Fabrics Pvt. Ltd.)	149655	4.5900
3	Mr. Raju Verghese, Director of Reed Finance Private Limited.	540	0.0002
Total		150195	4.5902

13.9.2. Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on 14.08.2017:

Sl. No.	Name	Shares held	% of the total paid up share capital
1	Saleem Iqbal Shervani	427580	13.11
2	Saeed Mustafa Shervani	183410	5.63
3	Tahir Hasan	15415	0.47
4	Azher Nisar Shervani	149655	4.59
5	B.K.Misra	20	0.00
Total		7,76,060	23.80

13.9.3. Details of transactions in shares undertaken by persons referred to in paragraph 13.9 above during the period of last six months preceding the date of the Board Meeting i.e. August 14, 2017, at which the Buyback was approved:

Name	Aggregate Quantity Purchased/(Sold)	Maximum price per Ordinary Share	Date of Maximum Price	Minimum price per Ordinary Share	Date of Minimum Price
A.N. Shervani	54800	172.00	23.03.2017	168.95	23.03.2017
Salma Hasan	53200	172.00	23.03.2017	171.75	23.03.2017
Zeba Hasan	53700	171.75	23.03.2017	171.75	23.03.2017
Saleem Iqbal Shervani	108900	177.45	18.04.2017	177.40	18.04.2017
Saeed Mustafa Shervani	53100	177.50	18.04.2017	177.40	18.04.2017

14 BRIEF INFORMATION ABOUT THE COMPANY

14.1 The company was incorporated on 25th February 1948 as 'Great Eastern Electroplaters Limited' with the objective of carrying out the business of colour and chromium plating of consumer items. The name of the company was subsequently changed to "Geep Flashlight Industries Limited" to identify with the new business activity i.e. manufacture and sale of flashlight cases (torches). Subsequently the company expanded its product stream to include manufacture and sale of miniature lamps, dry cell batteries as well as trading of other consumer items. The name of the company was on 9th August, 1979, changed to 'Geep Industrial Syndicate Limited'. Thereafter the Company sold the "GEEP" brand, design, art work, distribution network alongwith marketing assets to 'Gillette Group' and consequently the name of the Company was again changed to 'Shervani Industrial Syndicate Limited'(SISL). Subsequently, the company diversified and changed its main business into Real Estate. The company completed its maiden project namely "Sterling Apartment" in Allahabad, which has been very well received. Encouraged by the public response to the said project the company has decided to utilise its own land for the real estate project.

14.2 The registered office of the Company is at Shervani Nagar, Sulem Sarai, Harwara, Allahabad- 211011.

14.3 The current authorized ordinary share capital of the Company consists of 65,00,000 (Sixty Five lakhs) Ordinary Shares of face value of Rs. 10 each, amounting to Rs. 6,50,00,000 (Rupees Six Crores Fifty Lakhs only). The total paid-up share capital of the Company is Rs.3,26,02,500 (Rupees Three Crores Twenty Six Lakhs Two Thousand and Five Hundred Only) represented by 32,60,250 (Thirty Two Lakhs Sixty Thousand Two Hundred and Fifty) Ordinary Shares of face value of Rs. 10 each.

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

Date of the Board resolution authorizing allotment	No. of ordinary shares issued	% of total outstanding ordinary share capital	Cumulative ordinary share capital	
			No. of ordinary shares	Amt.(Rs)
Sub Division of 93,150 Shares of Rs.100/- each into 10 Shares of Rs.10/- each vide B/R dated 17/08/1992	9,31,500	28.57	931500	93,15,000
Allotment of Shares pursuant to Right Issue vide B/R dated 07/07/1993	23,28,750	71.43	32,60,250	3,26,02,500
Total	3260250	100.00		

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

14.6 The details regarding the Board of Directors as on the date of the Public Announcement i.e. 18.08.2017:

S.NO	NAME, AGE AND DIN	DESIGNATION	QUALIFICATION AND OCCUPATION	DATE OF APPOINTMENT/RE-APPOINTMENT	OTHER DIRECTORSHIP IN INDIAN COMPANIES
1.	Dr. Ashutosh Pratap Singh 58 Years 05354321	Chairman, an Independent Director	M. B. B. S.	14-08-2012	NIL
2.	Mr. Saleem Iqbal Shervani 64 Years 00023909	Managing Director	B. A.(Hons) & AMIMA	03-04-1998	Capon Food Specialities Ltd. Farco Foods Pvt. Ltd. Shervani Foods Pvt. Ltd. ATB Cargo Pvt. Ltd.
3.	Mr. Tahir Hasan 71 Years 00074282	Whole time Director	B. E. (Mech) & PGDM	14-08-2014	Isgec Heavy Engineering Ltd. Saraswati Sugar Mills Ltd. Shervani Hospitalities Ltd. Tara Products & Services Pvt. Ltd. Uttar Pradesh Cricket Association.
4.	Mr. Azher Nisar Shervani 70 Years 00424635	Director	B. Com	31-10-2000	Red Leaf Estates Pvt. Ltd. Shervani Enterprises Pvt. Ltd. Shervani Hospitalities Ltd.
5.	Mr. Saeed Mustafa Shervani 58 Years 00024390	Director	Diploma in Hotel Management	09-01-1986	The Federation of Hotel and Restaurant Associations of India. Hotel and Restaurant Association of Northern India. Sherans Infrastructures Pvt. Ltd. Shervani Hospitalities Ltd.
6.	Mr. Kush Bhargava 65 Years 00074004	Independent Director	M. A.	11-07-1981	K B Builders Pvt. Ltd.
7.	Mr. G. S. Chaturvedi 67 Years 00148434	Independent Director	B. Sc., L. LB.	12-01-2000	NIL
8.	Mr. Raju Verghese 70 Years 01086812	Director	B. Sc.	27-01-2007	Capon Food Specialties Limited. Reed Finance Pvt. Ltd.
9.	Mr. Md. Aslam Sayeed 63 Years 06652348	Independent Director	B. A.; LL. B	06-08-2013	Farco Foods Pvt. Ltd.
10.	Mrs. Shefali Bansal 61 Years 07090579	Director	B. A.	09-02-2015	NIL

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

Sr. No.	Name	Appointment/Cessation/Re-appointment/Change in Designation	Effective date	Reasons
1.	Tahir Hasan Tahir Hasan	Additional Director Whole time Director	14.08.2014 14.08.2014	Appointment Change in Designation

2.	Shefali Bansal Shefali Bansal	Additional Director Director	09.02.2015 30.09.2015	Appointment Change in Designation
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14.8 The Buyback will not result in any benefit to any Director or Promoter of the Company except to the extent of the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Shares which will lead to a reduction in the Share capital after the completion of the Buyback.

15 FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The Company has prepared its audited standalone financial statements for the financial year ended March 31, 2017, as announced on 30.05.2017 in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the guidance notes issued by the Institute of Chartered Accountants of India.

15.2 The salient features of the financial information of the Company as extracted from the **standalone** audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 are set out below:

[In Rs. Lakhs]

Key Financials	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)	Year ended 31 March, 2015 (Audited figures)
Revenue from operations	3646.02	2837.19	-
Other income	168.20	106.58	186.07
Total Revenue	3814.22	2943.77	186.07
Construction/ Development Expenses- Real Estate	961.99	1101.48	543.60
(Increase) /Decrease in Inventories	1830.40	1299.29	(543.60)
Employees Benefits expense	95.50	92.80	92.18
Finance Cost	19.88	50.77	49.24
Depreciation and Amortization	29.19	29.41	28.04
Other expenses	255.75	338.54	145.29
Total Expenditure	3192.71	2912.29	314.75
P/L before Exceptional Items and tax	621.51	31.48	(128.68)
Exceptional Items- Income	882.47	78.61	-
P/L after Exceptional Items and before Tax	1503.98	110.09	(128.68)
Tax Expenses			
Current Tax	0	8.85	1.20
MAT credit entitlement (net off written off)	(1.36)	4.51	0
P/L after tax	1505.34	96.73	(129.88)
Paid up ordinary share capital	328.03	328.03	328.03
Reserves & surplus (Free Reserves)	4918.76	3413.43	3316.70
Net worth	5246.79	3741.46	3644.73
Total Debt \$\$	100.55	791.76	1067.71

[In Rs. Lakhs]

\$ Total Debt	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)	Year ended 31 March, 2015 (Audited figures)
Long Term Borrowing	6.74	10.89	14.13
Short Term Borrowing	89.67	766.74	1042.63
Current Maturities of long Term Borrowing	4.14	14.13	10.95
Total	100.55	791.76	1067.71

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

The financial ratios of the Company as extracted from the standalone audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 is set out below:

[In Rs. Lakhs]

Key Ratios	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015
Basic Earnings per shares	45.89	2.95	(3.96)
Diluted Earnings per shares	45.89	2.95	(3.96)
Book value per equity shares	160.93	114.76	111.79

Return on Net worth (%)	28.69%	2.59%	(3.56%)
Debt/ Equity Ratio	0.019	0.212	0.293

Note: a. Return on net worth is computed as profit after tax for the relevant period divided by closing net worth as at the end of that financial year.

15.3 The salient features of the financial information of the Company as extracted from the **Consolidated** audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 are set out below:

[In Rs. Lakhs]

Key Financials	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)	Year ended 31 March, 2015 (Audited figures)
Revenue from operations	4078.56	3171.99	377.31
Other income	182.51	119.24	192.93
Total Revenue	4261.07	3291.23	570.24
Construction/Development Expenses-Real Estate	961.99	1101.48	543.60
(Increase) /Decrease in Inventories	1830.40	1299.29	(543.60)
Employees Benefits expense	227.96	210.65	217.38
Power & Fuel	-	-	155.94
Finance Cost	19.88	50.77	49.24
Depreciation and Amortization	42.46	42.76	55.00
Other expenses	499.26	510.97	343.84
Total Expenditure	3581.95	3215.92	665.46
P/L before Exceptional Items & tax	679.12	75.31	(95.22)
Exceptional Items	882.47	78.61	-
P/L after Exceptional Items	1561.59	153.92	(95.22)
Share of Profit/ Loss of Associate Companies	16.54	33.97	(69.30)
Profit before Tax	1578.13	187.89	(164.52)
Tax Expenses			
Current Tax	0	8.85	1.20
MAT credit entitlement (net off written off)	(1.36)	4.50	-
Deferred Tax Credit	(8.69)		-
P/L after tax	1588.17	174.54	(165.72)
Paid up equity share capital	328.03	328.03	328.03
Reserves & surplus (Free Reserves)	4730.79	3442.61	3202.53
Net worth	5058.82	3770.64	3530.56
Total Debt \$	100.55	791.76	1067.71

\$ Total Debt	Year ended 31 March, 2017 (Audited figures)	Year ended 31 March, 2016 (Audited figures)	Year ended 31 March, 2015 (Audited figures)
Long Term Borrowing	6.74	10.89	14.13
Short Term Borrowing	89.67	766.74	1042.63
Current Maturities of long Term Borrowing	4.14	14.13	10.95
Total	100.55	791.76	1067.71

The financial ratios of the Company as extracted from the Consolidated audited financial statements of the Company for the last three financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 is set out below:

[In Rs. Lakhs]

Key Ratios	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2015
Basic Earnings per shares	48.42	5.32	(5.08)
Diluted Earnings per shares	48.42	5.32	(5.08)
Book value per equity shares	155.17	115.66	108.29
Return on Net worth (%)	31.39%	4.63%	(4.69%)
Debt/ Equity Ratio	0.02	0.21	0.30

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

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

16 STOCK MARKET DATA

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

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

Year	High			Low			Average	
	High (Rs.)	Date of High	No. of shares traded	Low (Rs.)	Date of Low	No. of shares traded	Average (Rs.)	No. of shares traded in that period
2017*	331.65	19.07.2017	849	123.1	15.02.2017	353	186.46	549345
2016	169	15.12.2016	351	95	05.02.2016	6	130.84	18771
2015	187.95	09.01.2015	10	82.2	02.11.2015	252	116.58	26687
2014	158	16.12.2014	10	35.95	16.01.2014	41	77.79	66815

* for the period 01.01.2017 to 16.08.2017

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

Month	High			Low			Average	
	High (Rs.)	Date of High	No. of shares traded	Low (Rs.)	Date of Low	No. of shares traded	Average (Rs.)	No. of shares traded
February-2017	145	06.02.2017	100	123.1	15.02.2017	353	131.34	1944
March- 2017	176	29.03.2017	119	131	03.03.2017	345	171.20	167186
April- 2017	206.9	27.04.2017	1483	152	06.04.2017	229	184.27	318309
May- 2017	189.35	03.05.2017	326	157.45	25.05.2017	1957	167.38	13990
June- 2017	283.2	16.06.2017	343	194.45	01.06.2017	110	247.18	29907
July- 2017	331.65	19.07.2017	849	255.7	10.07.2017	72	287.59	8452
August- 2017*	313.95	16.08.2017	1477	271.7	10.08.2017	2785	286.40	9525

*includes the trading details for the period from 01.08.2017 to 16.08.2017

(Source: www.bseindia.com)

16.4 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to BSE on August 9, 2017. The Board, at its meeting held on August 14, 2017, approved the proposal for the Buyback at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per Share and the intimation was sent to BSE on the same day. The closing market price of the Shares on BSE, during this period, are summarised below.

Event	Date	Share Price at BSE			
		Open	High	Low	Close
Notice of the Board Meeting convened to consider the proposal of the Buy Back	09.08.2017	286	294.85	286	286
1 Trading Day Post-Notice of Board Meeting	10.08.2017	290	295	271.7	271.75
1 Trading Day Prior to Board Meeting	11.08.2017	285.1	285.3	271.75	285.3
Board Meeting Date	14.08.2017	299.55	299.55	286.55	299.55
1 Trading Day Post-Board Meeting	16.08.2017	284.60	313.95	284.60	289.95

17 DETAILS OF THE STATUTORY APPROVALS

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

17.2 The Buyback of Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI, as may be required. The Company will have the right to make payment to the Eligible

Shareholders in respect of whom no prior RBI approval is required and not accept Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

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

18 THE DETAILS OF THE REGISTRAR TO THE BUY BACK AND COLLECTION CENTRES

18.1 Eligible Shareholders holding shares in physical form, who wish to tender their Shares in the Buyback can send either themselves or through Seller Member by registered post or courier or hand deliver the Tender Form, TRS generated by the exchange bidding system upon placing of Bid along with all relevant documents by superscribing the envelope as “**Shervani Industrial Syndicate Limited-Buyback Offer 2017**”, to the Registrar to the Buyback at their office address as set out below, so that the same are received not later than 2 (two) days from the closure of the Tender period i.e. by Monday, November 13, 2017 (by 5 p.m.):

LINK INTIME INDIA PRIVATE LIMITED

(Contact Person:Mr. Sumeet Deshpande)

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

Phone No: +91 22 49186200

Fax: +91 22 49186195

Email-Id: sisl.buyback@linkintime.co.in

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

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

19 PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to Buyback up to 2,46,500(Two Lakhs Forty Six Thousand and Five Hundred) Ordinary Shares representing 7.56% of the total number of ordinary shares in the total paid-up ordinary share capital of the Company as per the Audited Standalone Financial Statements of the Company as on March 31, 2017, at a price of Rs. 205/- (Rupees Two Hundred and Five Only) per share payable in cash for an aggregate consideration not exceeding Rs. 5,05,32,500(Rupees Five Crores Five Lakhs Thirty Two Thousand and Five Hundred Only) excluding Company's transaction costs such as brokerage, securities transaction tax, stamp duty and GSTetc. representing 9.63% and 9.99% of the aggregate of the fully paid-up ordinary share capital and free reserves (including securities premium) as per the standalone and consolidated audited accounts of the Company for the financial year ended 31st March, 2017 respectively (the last Audited Standalone/Consolidated Financial Statements available as on the date of Board Meeting recommending the proposal of the Buyback), from the public shareholders on a proportionate basis through the Tender Offer route, in accordance with Article 5A of the Articles of Association of the Company, the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Act, the relevant rules framed thereunder including the Share Capital Rules, to the extent applicable, and the Buyback Regulations. The Buyback is subject to the receipt of approvals, permissions and sanctions as may be required, including but not limited to SEBI and BSE, where the ordinary shares of the Company are listed.

19.2 The Company expresses no opinion as to whether public shareholders should participate in the Buyback and accordingly public shareholders are advised to consult their own advisors to consider participation in the Buyback.

19.3 The shareholding of the Promoter and Promoter Group as of the date of the Public Announcement is 1963040 (Nineteen Lakhs Sixty Three Thousand and Forty) Ordinary Shares which represents 60.21% of the existing total paid-up share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer, the Promoter and Promoter Group, being in control of the Company, have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group have expressed their intention vide their letters dated 14.08.2017 not to participate in the Buyback and have irrevocably waived their rights as shareholders in respect of this Buyback offer

19.4 Assuming acceptance of all Shares tendered in the Buyback from the Eligible Shareholders up to their respective Buyback Entitlement, the shareholding of the Promoter and Promoter Group after the completion of the Buyback will increase to 65.14% of the post-Buyback total paid-up ordinary share capital of the Company.

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

- a. The Company has fixed September 1, 2017 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback.
- b. The Shares to be bought back pursuant to the Buyback are divided into 2 (two) categories:
 - i. Reserved category for Small Shareholders (“Reserved Category”); and
 - ii. General category for all other Eligible Shareholders (“General Category”).
- c. As defined in the Buyback Regulations, a “Small Shareholder” is an Eligible Shareholder who holds Shares having market value, on the basis of closing price on BSE, of not more than Rs. 2,00,000 (Rupees Two Lakh Only). As on the Record Date the closing price on BSE was Rs.226.05per share. Accordingly all Eligible Shareholders holding not more than 884 Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.
- d. Based on the aforementioned definition, there are 1284Small Shareholders of the Company with an aggregate shareholding of 1,76,131 Shares as on the Record Date, which constitutes 5.40% of the total paid-up share capital of the Company and 71.45%of the maximum number of Shares which are proposed to be bought back as part of this Buyback.
- e. In accordance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders will be the higher of:
 - i. 15% of the number of shares which the Company proposes to Buyback i.e. 15% of 2,46,500 (Two Lakhs Forty Six Thousand and Five Hundred) Shares which is 36,975 (Thirty Six Thousand Nine Hundred and Seventy Five) Shares; or
 - ii. The number of Shares entitled as per their shareholding as on the Record Date (i.e. $\{1,76,131/(32,60,250-19,63,040)\} * 2,46,500$) which is 33,469Shares.
- f. Outstanding Shares as held by the public shareholders have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group does not intend to participate in the Buyback.
- g. Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, 36,975 Shares have been reserved for the Small Shareholders (“**Reserved Portion**”) and accordingly, the General Category for all other Eligible Shareholders shall consist of 2,09,525 Shares (“**General Portion**”).
- h. Based on the above Buyback Entitlements, the ratio of Buyback for both categories is set out below:

Category of Eligible Shareholder	Ratio of Buyback (i.e. Buy Back Entitlement)
Reserved category for Small Shareholders	148 Shares for every 705 Shares held as on the Record Date
General category for all other Eligible Shareholders	174 Shares for every 931 Shares held as on the Record Date

19.6 Fractional Entitlements

- a. If the Buyback Entitlement under the Buyback, after applying the abovementioned ratios to the Shares held on Record Date is not in the multiple of one Share, then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Shares in the Buyback for both categories of Eligible Shareholders.
- b. On account of ignoring the fractional entitlement, those Small Shareholders who hold 4 or less Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders may tender Additional Shares as part of the Buyback and will be given preference in the Acceptance of one Share, if such Small Shareholders have tendered Additional Shares.

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

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

- a. Acceptance of 100% Shares from Small Shareholders in the Reserved Category, who have validly tendered their Shares to the extent of their Buyback Entitlement or the number of Shares tendered by them, whichever is less.
- b. After the acceptance as described in Paragraph (19.5(a)) above, in case there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Share (on account of fractional entitlement), and have tendered Additional Shares as part of the Buyback,

shall be given preference and one Share each from such Additional Shares shall be bought back in the Reserved Category.

- c. After the acceptance as described in Paragraph (19.7(b)) above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buyback Regulations. Valid Acceptances per Small Shareholder shall be equal to the Additional Shares validly tendered by the Small Shareholder divided by the total Additional Shares validly tendered and multiplied by the total pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with the Paragraph (19.7(b)), shall be reduced by one.
- d. **Adjustment for fractional results in case of proportionate Acceptance, as described above:**
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

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

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

- a. Acceptance of 100% Shares from other Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b. After the Acceptance as described in Paragraph 19.8 above, in case there are any Shares left to be bought back in the General Category, the Additional Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Eligible Shareholders divided by the total Additional Shares validly tendered in the General Category and multiplied by the total pending number of Shares to be Accepted in General Category.
- c. **Adjustment for fractional results in case of proportionate acceptance as described above:**
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

19.9 Basis of Acceptance of Shares between categories

- a. In the event the Shares tendered by the Small Shareholders in accordance with the process set out under Paragraph 19.7 (*Basis of Acceptance of Shares validly tendered in the Reserved Category*) of the Letter of Offer is less than the Reserved Portion, Additional Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall be accepted in proportion of the Additional Shares tendered by them in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Shares validly tendered in the General Category and multiplied by the Additional Shares that can be accepted due to shortfall in the Reserved Portion.
- b. In the event the Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under Paragraph 19.8 (*Basis of Acceptance of Shares validly tendered in the General Category*)

of the Letter of Offer is less than the General Portion, Additional Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Shares tendered by them, in accordance with the Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Shares validly tendered in the Reserved Category and multiplied by the Additional Shares that can be accepted due to shortfall in the General Portion.

- c. A Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority Acceptance of one Share before Acceptance, as mentioned above, out of the Shares left to be bought back in the General Category, provided no Acceptance could take place from such Small Shareholder in accordance with the section entitled "Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders".

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

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

19.11 ***Miscellaneous***

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

20 PROCEDURE FOR TENDER / OFFER AND SETTLEMENT

20.1 The Buyback is open to all Eligible Shareholders holding Shares in both physical form and dematerialized form. The Company proposes to effect the Buyback through a Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to the Eligible Shareholders.

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

20.2 The Company will not accept any Share offered in the Buyback which is under any restraint order of a court for transfer/sale of such Share. In accordance with Regulation 19(5) of the Buyback Regulations, the Company shall not Buyback locked-in Shares and non-transferable Shares until the pendency of the lock-in or until such Shares become transferable. The Company shall accept all the Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.

20.3 Eligible Shareholders will have to transfer their Shares from the same demat account in which they were holding such Shares as on the Record Date, and in case of multiple demat accounts, Eligible Shareholders are required to tender the

applications separately from each demat account. In case of any changes in the demat account in which the Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback.

- 20.4 As disclosed in Paragraph 19 (Process and Methodology for the Buyback) above, the Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories viz. (i) Reserved Category for Small Shareholders (ii) the General Category for other Eligible Shareholders and the Buyback Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.
- 20.5 After accepting the Shares tendered on the basis of Buyback Entitlement, Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.
- 20.6 Eligible Shareholders' participation in the Buyback is voluntary. Eligible Shareholders may choose to participate, in part or in full, and receive cash in lieu of the Shares accepted under the Buyback, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders may also tender a part of their Buyback Entitlement. Eligible Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of procedure outlined herein.
- 20.7 The maximum tender of Shares under the Buyback by any Eligible Shareholder cannot exceed the number of Shares held by such Eligible Shareholder as on the Record Date.
- 20.8 The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchanges" pursuant to the SEBI Circulars, and following the procedure prescribed in the Act, the Buyback Regulations and on such terms and conditions as may be permitted by law from time to time.

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

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

- 20.9.1 **In case the Eligible Shareholder holds Shares in dematerialized form:** If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Registrar i.e. www.linkintime.co.in or by providing his / her / its application in writing on a plain paper, signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Shares tendered for the Buyback.
- 20.9.2 **In case the Eligible Shareholder holds Shares in physical form:** An Eligible Shareholder may participate in the Buyback by providing his / her / its application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Shares held, Share certificate number, number of Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later than 2 (two) days from the Buyback Closing Date i.e. by Monday, November 13, 2017 (by 5 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such Tender Forms are liable to be rejected under this Buyback.
- 20.10 Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Selling Member(s) (along with the complete set of documents for verification procedures in case of Shares held in physical form) and have to ensure that their bid is entered by their respective Selling Member(s) in the electronic platform to be made available by BSE before the Buyback Closing Date.

- 20.11 The Company shall accept Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the “plain paper” option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- 20.12 The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 20.13 For implementation of the Buyback, the Company has appointed JRK Stock Broking Pvt. Ltd. as the registered broker of the Company to facilitate the process of tendering of Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Brokers are as follows:
- Name: JRK Stock Broking Pvt Ltd**
Address: Tobacco House, 1 Old Court House Corner, 3rd Floor, Room No 301, Kolkata – 700 001.
Tel No. 033-40174777, Fax No. 033-40174700, Email Id: info@jrkgroup.in
Contact Person: Mr. Birendra Kumar Jain
- 20.14 BSE will be appointed as the “**Designated Stock Exchange**” to provide a separate “**Acquisition Window**” to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Shares in the Buyback. The details of the platform will be as specified by BSE, from time to time.
- 20.15 In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company’s Broker, viz. **JRK Stock Broking Pvt Ltd**, to register himself by using quick UCC facility.
- 20.16 All Eligible Shareholders, through their respective Selling Member(s) will be eligible and responsible to place orders in the Acquisition Window. All Eligible Shareholders can enter orders for Shares in demat form as well as Shares in physical form.
- 20.17 At the beginning of the tendering period, the order for buying Shares shall be placed by the Company through the Company’s Broker. During the Tendering Period, the order for selling the Shares shall be placed by the Eligible Shareholders through their respective Selling Member(s) during normal trading hours of the secondary market.
- 20.18 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of acceptance.
- 20.19 The cumulative quantity tendered shall be made available on BSE website (www.bseindia.com) throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.
- 20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.21 **Procedure to be followed by Eligible Shareholders holding Shares in dematerialized form:**
- 20.21.1 Eligible Shareholders who desire to tender their Shares in the electronic form under the Buyback would have to do so through their respective Selling Member(s) by indicating to such Selling Member(s) the details of Shares they intend to tender under the Buyback.
- 20.21.2 The Selling Member would be required to place an order/bid on behalf of the Eligible Shareholder(s) who wish to tender Shares in the Buyback using the Acquisition Window of BSE. It is mandatory to transfer the tendered Shares into the account of Indian Clearing Corporation Limited (referred to as the “**Clearing Corporation**”) by the Eligible Shareholder through the early pay-in mechanism of the Depositories prior to placing the order/bid

on the BSE's IBBS platform by the Selling Member. For further details, Eligible Shareholders may refer to the circulars issued by BSE/Clearing Corporation.

- 20.21.3 The details of the settlement number under which the Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by the Clearing Corporation.
- 20.21.4 For custodian participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than 6:00 p.m. IST on the last day of the Tendering Period i.e. the Buyback Closing Date. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Selling Member shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 20.21.5 Upon placing the bid, the Selling Member shall provide a TRS generated by the BSE's bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as Bid ID No., Application No., DP ID, Client ID, number of Shares tendered etc.
- 20.21.6 In case of Shares held in physical form, Eligible Shareholders who have tendered their Shares in the Buyback can 'hand deliver' the Tender Form duly signed (by all Eligible Shareholders in case such shares are held in joint names) in the same order in which they hold the Shares, TRS generated by the exchange bidding system along with all relevant documents to the Registrar to the Buy Back at its office provided in Paragraph 18 herein above. The TRS will be generated by the respective Selling Member. Eligible Shareholders who cannot hand deliver the Tender Form and such other documents to the Registrar to the Buyback at its office provided in Paragraph 18 herein above, may send the same by registered post/ speed post, at their own risk, superscribing the envelope as "**Shervani Industrial Syndicate Limited - Buyback Offer 2017**", to the Registrar to the Buyback Offer at their office provided in Paragraph 18 herein above, so that the same are received not later than 2 (two) days from the Buy Back Closing Date i.e. Monday, November 13, 2017 (by 5 p.m.).
- 20.21.7 Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the 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;
 - iii. Duly attested death certificate and succession certificate/ legal heir certificate, in case any Eligible Shareholder has expired; and
 - iv. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- 20.21.8 In case of demat Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for Eligible Shareholders holding Shares in demat form.
- 20.21.9 The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Shares due to rejection or any other reason. Further, Eligible Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- 20.21.10 Modification and cancellation of the orders will be allowed during the tendering period of the Buyback.
- 20.21.11 The Cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.
- 20.22 Procedure to be followed by Eligible Shareholders holding Shares in physical form:**
- 20.22.1 Eligible Shareholders who are holding physical Shares and intend to participate in the Buyback will be required to approach their respective Selling Member(s) along with the complete set of documents for verification procedures to be carried out including the (i) original Share certificate(s), (ii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, (iv) the Tender Form (duly signed by all Eligible Shareholders in case the Shares are in joint names) the same order in which they hold Shares, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/specimen signature),

notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable.

In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

20.22.2 Based on the documents as mentioned in paragraph 20.22.1 herein above, the concerned Selling Member shall place the bid on behalf of Eligible Shareholders holding Shares in physical form using the Acquisition Window of BSE. Upon placing the bid, the Selling Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio number, Share certificate number, distinctive number, number of Shares tendered, etc.

20.22.3 The Selling Member / Eligible Shareholder is required to deliver the original Share certificate(s) and documents (as mentioned in paragraph 20.22.2) along with TRS either by registered post or courier or hand delivery to Registrar to the Buyback, at its office provided in Paragraph 18 herein above, within 2 (two) days of bidding by Selling Member. The envelope should be super scribed as “**Shervani Industrial Syndicate Limited-Buyback Offer 2017**”. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Selling Member / Eligible Shareholder.

20.22.4 Eligible Shareholders holding physical Shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical 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 time BSE shall display such bids as ‘unconfirmed physical bids’. Once the Registrar to the Buyback confirms the bids it will be treated as ‘Confirmed Bids’.

20.22.5 All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Shares tendered will be liable for rejection.

20.22.6 In case any Eligible Shareholder has submitted Shares in physical form for dematerialization, such Shareholders should ensure that the process of getting the Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

20.23 For Shares held by Eligible Shareholders, being Non-Resident Shareholders

20.23.1 Eligible Shareholders, being Non-Resident Shareholders (excluding FIIs) should also enclose a copy of the permission received by them from the RBI, if applicable, to acquire the shares held by them in the Company.

20.23.2 In case the Shares are held on repatriation basis, the Eligible Shareholder, being a Non-Resident Shareholder, should obtain and enclose a letter from its authorized dealer / bank confirming that at the time of acquiring such shares, payment for the same was made by such Eligible Shareholder, from the appropriate account as specified by RBI in its approval. In case the Eligible Shareholder, being a Non-Resident Shareholder, is not in a position to produce the said certificate, the shares would be deemed to have been acquired on non-repatriation basis, and in that case, the Eligible Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid shares accepted under the Buyback.

20.23.3 If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Shares tendered by Eligible Shareholders, being Non-Resident Shareholders, under the Buyback are liable to be rejected.

20.23.4 Modification and cancellation of the orders will be allowed during the tendering period of the Buyback.

20.23.5 The Cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period

20.24 **Acceptance of orders**

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

20.25 Method of Settlement

20.25.1 Upon finalization of the basis of Acceptance as per the Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

20.25.2 The Company will transfer the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For demat shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Members' for onward transfer to the such Eligible Shareholder holding Shares in dematerialized form.

20.25.3 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.

20.25.4 For the Eligible Shareholders holding Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.

20.25.5 The Shares bought back in the dematerialized form would be transferred directly to the Dematescrow account of the Company provided it is indicated by the Company's Brokers or it will be transferred by the Company's Brokers to the Company Demat Escrow Account on receipt of the Shares from the clearing and settlement mechanism of the BSE.

20.25.6 Excess Shares or unaccepted Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.

20.25.7 Any excess Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Shares, in case the Shares accepted by the Company are less than the Shares tendered in the Buyback by Eligible Shareholders holding Shares in the physical form.

20.25.8 The Seller Member would issue contract note for the Shares accepted under the Buyback. The Company's Brokers would also issue a contract note to the Company for the Shares accepted under the Buyback.

20.25.9 Shareholders who intend to participate in the Buyback should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Shareholder for tendering Shares in the Buyback (secondary market transaction). The Managers to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Shareholders

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

20.26 Rejection Criteria

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

- i. For Eligible Shareholders holding shares in the dematerialized form if:
 - a. The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
- ii. For Eligible Shareholders holding Shares in the physical form if:
 - a) The documents mentioned in the Tender Form for Eligible Shareholders holding Shares in physical form are not received by the Registrar on or before the close of business hours of Monday, November 13, 2017 (by 5 p.m.);
 - b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
 - c) If the transmission of Shares is not completed, and the Shares are not in the name of the Eligible Shareholders;
 - d) If the Eligible Shareholders bid the Shares but the Registrar does not receive the physical Share certificate; or
 - e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

21. NOTE ON TAXATION

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

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

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS

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

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

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

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

21.2 SHARES HELD AS INVESTMENT

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

PERIOD OF HOLDING

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

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

Buyback of Shares through a Recognized Stock Exchange

Where transaction for transfer of such equity shares (i.e. Buyback) is executed through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- a. LTCG arising from such transaction would be exempt under Section 10(38) of the Income tax Act; and
- b. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income tax is required to be considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable as under:

- a) In case of companies other than domestic companies:
Surcharge @5% is leviable where the total income exceeds Rs.10 crores and @2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores. Education Cess @2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- b) In case of domestic companies: Surcharge @12% is leviable where the total income exceeds Rs.10crores and @7% where the total income exceeds Rs.1crore but less than Rs. 10 Crores is leviable in all cases. Further, Education Cess @2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- c) In case of resident assesseees (i.e. other than domestic companies): Surcharge@15% is leviable where the total income exceeds Rs. 1 crore and @ 10% where the total income exceeds Rs. 50 lakhs but less than Rs. 1 Crore. Also, Education Cess@2% and Secondary and Higher Education Cess @ 1% is leviable.
- d) In addition to the above, MAT implications may also get triggered for domestic companies.

21.3 SHARES HELD AS STOCK IN TRADE

- a. If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- b. Resident Shareholders
 - i. For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - ii. Domestic Companies having turnover or gross receipts not exceeding Rs. 50 Crores in the previous year would be taxable @ 25%
 - iii. For persons other than stated in (i) and (ii) above, profits would be taxable @ 30%. No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, Surcharge Education Cess and Secondary and Higher Education Cess are leviable.
- c. Non- Resident Shareholders

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

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

21.4 TAX DEDUCTION AT SOURCE

- a. In case of Resident Shareholders
In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.
- b. In case of Non- Resident Shareholders

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

21.5 THE TAX RATES AND OTHER PROVISIONS MAY UNDERGO CHANGES

22. DECLARATION BY THE BOARD OF DIRECTORS

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

- i. The Board of directors confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institution or banks.
- ii. The Board of directors have confirmed on the date of the Board Meeting (i.e. August 14, 2017) that they have made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion:
 - a. that immediately following the date of the meeting of the Board of Directors held on August 14, 2017, there will be no grounds on which the Company could be found unable to pay its debts;
 - b. as regards the Company's prospects for the year immediately following the date of the Board Meeting, approving the Buyback, 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 Buyback;
 - c. in forming the opinion as aforesaid, the Board of directors have 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).

This declaration is made and issued pursuant to the resolution passed at the meeting of the Board held on August 14, 2017.

For and on behalf of the Board of Directors

Sd/-
Saleem Iqbal Shervani
Managing Director
DIN: 00023909

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

23. AUDITORS CERTIFICATE

The text of the Report dated 14.08.2017 received from the Statutory Auditors of the Company viz. P.L.Tandon & Co. Chartered Accountants, addressed to the Board of Directors of the Company is reproduced below:

--"QUOTE"--

To,
The Board of Directors,
Shervani Industrial Syndicate Limited,
332, Sulem Sarai, Shervani Nagar
Harwara, Allahabad- 211011,

Dear Sir,

Subject: Proposed Buyback of Ordinary Shares not exceeding 10% of the aggregate of the fully paid up ordinary share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017, on a proportionate basis ("the Buyback") from the eligible public shareholders by way of Tender Offer through the Stock Exchange mechanism by Shervani Industrial Syndicate Limited ("the Company").

In connection with the proposal of the Company to Buyback 2,47,400 fully paid ordinary shares for an aggregate consideration of Rs. 5,07,17,000/- (Rupees Five Crores Seven Lakhs Seventeen Thousand Only) approved by the Board of Directors of the Company at their meeting held on August 14, 2017 in pursuance of the provisions of sections 68, 69 and 70 of the Companies Act, 2013, as amended ("the Act") and in terms of the requirements of Clause (xi) of Schedule II, Part A of Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended ("Buyback Regulations") and based on the information and explanation given to us, we confirm that:

- i. 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, 2017 which were taken on record and approved by the Board of Director at their meeting held on May 30, 2017.
- ii. In our opinion, the maximum amount of permissible capital payment (including premium) towards buyback of ordinary shares as computed below, has been properly determined in accordance with Section 68(2)(c) of the Companies Act, 2013:
- iii. The amount of ordinary share capital and free reserve as extracted from the Audited Standalone Financial Statements of the company as at March 31, 2017 is as under

(Rs. In Lakhs)

Particulars	As at March 31, 2017
Issued, Subscribed and fully paid up Ordinary Shares (A) 32,60,250 Ordinary Shares of Rs. 10 each, fully paid up	326.025
Free Reserves	
- Securities Premium Account	38.409
- General Reserve	5289.129
- Surplus	(408.782)
(B)	4918.756
Total (A+B)	5244.781
Maximum amount permissible for the Buyback i.e. 10% of the aggregate of fully paid up ordinary share capital and free reserves	524.478

- iv. The Audited Standalone Financial Statements of the company as on 31st March, 2017 is the basis of which calculation with reference to buy- back has been done and it is not more than six months old from the date of offer document.
- v. The Board of Directors of the Company at their meeting held on August 14, 2017 have formed their opinion as specified in Section 68(6) of the Act and in terms of Clause (xi) of Part A of Schedule II of the Buyback Regulations, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period on one year from the date of declaration adopted by the Board.

- vi. Based on the representation made by the Company and other information and explanation given to us, which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the aforementioned opinion expressed by the directors is unreasonable in all the circumstances.
- vii. The compliance with the provisions of the Act and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the Buyback and report that the audited accounts based on which calculation with reference to Buyback is done and read the resolution of the Board of Directors for the meeting held on August 14, 2017 referred to in paragraph (v) above.
- viii. We further confirm that the firm arrangements for financial resources required to implement the buyback is already in place.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement and letter of offer to be circulated to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback of not exceeding 2,47,400 (Two Lakhs Forty Seven Thousand and Four Hundred) ordinary shares, in pursuance of provisions of section 68, 69 and 70 of the Companies Act, 2013, Buyback Regulations and should not be used for any other purpose or by any other person.

For P.L.Tandon & Co.
Chartered Accountants
Firm's Registration No. 000186C
Sd/-
P.P.SINGH
(Partner)
Membership No. 072754

Date: 14.08.2017
Place: Kanpur

--"UNQUOTE"--

24. DOCUMENTS FOR INSPECTION

The copies of the following documents referred to hereunder are available for inspection by Eligible Shareholders of the Company at the registered office at Shervani Nagar, Sulem Sarai, Harwara, Allahabad- 211011 between 11 a.m. and 1 p.m. on any Working Day during the Tendering Period:

- 24.1 Certificate of Incorporation and Memorandum and Articles of Association of the Company;
- 24.2 Annual Reports of the Company for the financial year ended March 31, 2015, March 31, 2016 and March 31, 2017;
- 24.3 Copy of resolution passed by the Board of Directors in relation to the Buyback at their meeting held on August 14, 2017; Copy of the resolution passed by the Buyback Committee held on September 15, 2017 for revision in the Buyback quantity.
- 24.4 Auditor's Report dated 14.08.2017 received from P.L.Tandon & Co. Chartered Accountants, in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- 24.5 Public Announcement dated 16.08.2017 and published on 18.08.2017; Corrigendum to PA dated October 14, 2017
- 24.6 Declaration of solvency and an affidavit as per Form SH-9 of the Share Capital Rules;
- 24.7 Certificate dated 14.08.2017 issued by P.L.Tandon & Co. Chartered Accountant confirming that the Company has adequate funds for the purposes of the Buyback.

25. DETAILS OF THE COMPLIANCE OFFICER

- 25.1 The details of the Compliance Officer are set out below.

Mr. B.K. Misra
Company Secretary & Compliance Officer
Shervani Nagar, Sulem Sarai, Harwara, Allahabad- 211011
Tel: 91- 532-2102306; **Fax:** 91-532-2436928

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

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

26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

26.1 In case of any grievances relating to the Buy Back (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the Eligible Shareholder can approach the Compliance Officer and/or the Manager to the Buyback and/or the Registrar to the Buyback for redressal.

26.2 If the Company makes any default in complying with the requirements under the Act or any rules made thereunder as may be applicable to the Buyback, the Company or any officer of the Company who is in default shall be liable in terms of the Act.

26.3 The address of the concerned office of the Registrar of Companies is as follows:

Sh. Puneet Duggal (ROC Uttar Pradesh & Uttarakhand)
37/17, Westcottt Buidling, The Mall,
Kanpur-208001
Phone: 0512-2310443, 2310227, 2310323

27. DETAILS OF INVESTOR SERVICE CENTRES

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

LINK INTIME INDIA PRIVATE LIMITED

(Contact Person: Mr. Sumeet Deshpande)

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

Phone No: +91 22 49186200

Fax: +91 22 49186195

Email-Id: sisl.buyback@linkintime.co.in

28. MANAGER TO THE BUY BACK



VC CORPORATE ADVISORS PRIVATE LIMITED

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

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

Contact Person: Mr. Anup Kumar Sharma, Vice President

Email: mail@vccorporate.com

Website: www.vccorporate.com

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

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors accept full responsibility for the information contained in this Letter of Offer:

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

Sd/-

Tahir Hasan

Whole time Director and CFO

DIN: 00074282

Sd/-

Mohd. Aslam Sayeed

Director

DIN: 06652348

Sd/-

B. K. Misra

Company Secretary and Compliance Officer

FCS 5894

Date: 16.10.2017

Place: Allahabad

30. OFFER FORM

Annexure A - Tender Form (for Eligible Shareholders holding Shares in dematerialized form).

Annexure B - Tender Form (for Eligible Shareholders holding Shares in physical form).

Annexure C - Form No. SH-4 – Securities Transfer Form.