

January 4, 2018

✓ **The Secretary**
BSE Limited
P J Towers
Dalal Street
Mumbai 400 001

The Secretary
The National Stock Exchange of India Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir/Madam,

Sub: Buyback of 2,94,746 equity shares of INR 10/- each ("Share") of Swaraj Engines Limited ("Company") at a price of INR 2,400/- per Share under tender offer route ("Buyback")

We are pleased to inform you that Swaraj Engines Limited has issued a public announcement for the Buyback of its equity shares through tender offer route ("**Public Announcement**"). The Public Announcement has been released to appear on January 4, 2018 in the following newspapers:

- Financial Express (English) (all editions)
- Jansatta (Hindi) (all editions)
- Punjabi Tribune (Punjabi - Chandigarh)

Kotak Mahindra Capital Company Limited ("KMCC") has been appointed as the Manager to the Offer.

In this regard, please find enclosed copies of the Public Announcements that has been released to appear in Financial Express (English) on January 4, 2018.

Yours Sincerely,

For **Kotak Mahindra Capital Company Limited**



Amit Joshi
Vice President

Encl.: As above

Kotak Mahindra Capital Company Limited

CIN U67120MH1995PLC134050

Registered Office:

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This Public Announcement (the “Public Announcement”) is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “Buy-back Regulations”) for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

OFFER FOR BUYBACK OF UP TO 2,94,746 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“EQUITY SHARES”) AT A PRICE OF ₹ 2,400/- (RUPEES TWO THOUSAND FOUR HUNDRED ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1 THE BUYBACK OFFER

- 1.1. The Board of Directors (hereinafter referred to as the “Board”, which expression includes the Buyback Committee constituted by the Board to exercise its powers) of Swaraj Engines Limited (“Swaraj Engines” or “the Company”), at its meeting held on 28th November, 2017 (“Board Meeting”) approved the proposal for the buyback of Equity Shares at a price of ₹ 2,400/- (Rupees Two Thousand Four Hundred only) per Equity Share (the “Buyback Price”) up to an aggregate amount not exceeding ₹ 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand Four Hundred only) (“Maximum Buyback Size”), (being equal to 25% of the total paid-up equity capital and free reserves of the Company as per latest audited balance sheet as on March 31, 2017) from the shareholders (“Shareholders”) of the Company on a proportionate basis through a tender offer in accordance with the provisions of the Companies Act, 2013 (“Companies Act”) and, the Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”), the Companies (Management and Administration) Rules, 2014 (the “Management Rules”) and in compliance with the Buy-back Regulations (“Buyback” or “Buyback Offer”). The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders/ beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 65 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot (“Postal Ballot”), the results of which were announced on 3rd January 2018 (“Shareholders’ Approval”). The Buyback Price per Equity Share and the Maximum Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, goods and service tax, and stamp duty. The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India (“SEBI”), and the stock exchanges on which the Equity Shares are listed, namely, the National Stock Exchange of India Limited (“NSE”), the BSE Limited (“BSE”) (together with NSE the “Stock Exchanges”).
- 1.2. The Buyback shall be undertaken on a proportionate basis from the Shareholders as of 12th January, 2018 (the “Record Date”) through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-Back Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated 13th April, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9th December, 2016, including any further amendments thereof (the “SEBI Circular”). Please refer to Paragraph 10 below for further details regarding the Record Date and share entitlement for tender in the Buyback.

- 1.3. In terms of the Buy-back Regulations, under tender offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoters have informed the Company vide their letters, each dated 28th November, 2017 regarding their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in Paragraph 6.5 of this Public Announcement.

- 1.4. The Buyback Price of ₹ 2,400/- (Rupees Two Thousand Four Hundred only) per Equity Share represents (i) a premium of 19.56% and 18.79% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback; and (ii) a premium of 25.54% and 25.87% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

- 1.5. The aggregate paid-up share capital and free reserves as at 31st March, 2017 (the audited financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback) is ₹ 282.96 crores. Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up share capital and free reserves of the Company i.e. ₹ 70.74 crores. The maximum amount proposed to be utilized for the Buyback, is ₹ 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand and Four Hundred only) and is therefore within the limit of 25% of the Company's total paid-up share capital and free reserves as per the audited Balance Sheet as at 31st March, 2017.

- 1.6. Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 31,04,955 Equity Shares. Since the Company proposes to buy back up to 2,94,746 Equity Shares, the same is within the aforesaid 25% limit. The Maximum Buyback Size represents 2.37% of the paid-up equity share capital of the Company.

- 1.7. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the promoters in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. After the completion of the Buyback, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any change in voting rights of the promoters pursuant to completion of Buyback will not result in any change in control over the Company.

- 1.8. A copy of this Public Announcement is available on the website of the Company at www.swarajenterprise.com, and is expected to be available on the SEBI website www.sebi.gov.in during the period of the Buyback.

2 NECESSITY AND BASIS FOR BUYBACK

The Board of the Company, at its meeting held on 28th November, 2017, considered all relevant factors, including the present debt to equity of the Company, investments planned in the next 2-3 years as well as the increase in accumulated free reserves and considered it appropriate to allocate a sum not exceeding ₹ 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand and Four Hundred only) for distributing to the members holding equity shares of the Company, through a Buyback.

Thus, after considering several factors as well as benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback at a price of ₹ 2,400/- (Rupees Two Thousand Four Hundred only) per equity share for an aggregate consideration of upto ₹ 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand Four Hundred only).

The Buyback is being undertaken by the Company to return surplus cash to the equity shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost-efficient manner. The Buyback is being undertaken for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the tender offer route as prescribed under the Buy-back Regulations, would involve allocation of higher number of shares for small shareholders as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder” as per Regulation 2(1)(a) of the Buy-back Regulations;
- iii. The Buyback may help in improving return on equity and earnings per share by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

3 MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required under the Buyback would not exceed ₹ 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand Four Hundred only), which is equal to 25% of the total paid-up capital and free reserves as per the audited accounts of the Company for the financial year ended 31st March, 2017 (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc.).

The Buyback would be financed out of free reserves of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.

The Company confirms that as required under Section 68(2)(d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

The Equity Shares are proposed to be bought back at a price of ₹ 2,400/- (Rupees Two Thousand Four Hundred only). The Buyback Price has been arrived at after considering many factors, including, but not limited to, the trends in the volume weighted average prices of the Equity Shares of the Company on the BSE and NSE i.e. the Stock Exchanges where the Equity Shares of the Company are listed during last three months and two weeks, the net worth of the Company, price earnings ratio and impact on other financial parameters and the possible impact of Buyback on the earnings per share.

The Buyback Price represents a premium of 19.56% and 18.79% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 25.54% and 25.87% over the volume weighted average price of the Equity Shares on BSE and on NSE, respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

5 MAXIMUM NUMBER OF SHARES THAT THE COMPANY PROPOSES TO BUYBACK AND TIMELINES

The Company proposes to buy back up to 2,94,746 Equity Shares representing up to 2.37% of the total issued and paid up equity capital of the Company.

The Buyback is proposed to be completed within one year of the date of special resolution approving the proposed Buyback.

6 DETAILS OF SHAREHOLDING AND INTENTION OF PROMOTERS TO PARTICIPATE IN THE BUYBACK

- 6.1 The aggregate shareholding of the Promoters who are in control of the Company as on 28th November, 2017, i.e. the date of the postal ballot notice is as follows:

| Sr. No. | Name of Shareholder | No. of Shares held | Percentage (%) |
|---------|------------------------------|--------------------|----------------|
| 1 | Mahindra & Mahindra Limited | 41,26,417 | 33.22 |
| 2 | Kirloskar Industries Limited | 21,60,000 | 17.39 |
| | Total | 62,86,417 | 50.61 |

- 6.2 As on 28th November, 2017, i.e. the date of the postal ballot notice, none of the directors of the Company's promoters viz. Mahindra & Mahindra Limited (“M&M”) and Kirloskar Industries Limited (“KIL”) hold any Equity Shares in the Company, except for the following:

| Sr. No. | Name of the director of promoter | No. of Shares held | Percentage (%) |
|---------|--|--------------------|----------------|
| 1 | Mr. Nadir B Godrej (Director of M&M) | 1,199 | 0.01 |
| 2 | Mr. Atul C Kirloskar (Director of KIL) | 600 | 0.00 |
| | Total | 1,799 | 0.01 |

- 6.3 As on 28th November, 2017, i.e. the date of the postal ballot notice, none of the Directors or Key Managerial Personnel of the Company hold any Equity Shares in the Company except for the following:

| Sr. No. | Shareholding of Directors & Key Managerial Personnel | Designation | No. of Shares held | Percentage (%) |
|---------|--|-------------------------|--------------------|----------------|
| 1 | Mr. Rajinder Arora | Chief Financial Officer | 1,050 | 0.01 |

- 6.4 No Equity Shares of the Company have been purchased/sold by any of the Promoters, directors of the Company's promoters, Directors and Key Managerial Personnel of the Company during the period from six months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice, except for the following transactions:

| Name of Promoter/Director | Date of Transfer | No. of Shares Sold | Details of Transfer | Maximum Price (₹) | Date of Maximum Price | Minimum Price (₹)* | Date of Minimum Price | Average Price (₹) |
|------------------------------------|---------------------------|--------------------|---------------------|-------------------|----------------------------|--------------------|-----------------------|-------------------|
| Mr. Anil Alawani (Director of KIL) | 8 th Nov, 2017 | 60 | Sale | 1,903 per share | 8 th Nov., 2017 | - | - | 1,903 per share |

*Excluding Brokerage and other transaction costs

- 6.5 Intention of Promoters to participate in Buyback: In terms of the Buy-back Regulations, under the tender offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoters of the Company have expressed their intention vide their letters, each dated 28th November, 2017, to participate in the Buyback in the following manner:

- I. Mahindra & Mahindra Limited has indicated that it would tender a maximum of 97,915 Equity Shares or such lower number depending on the response received from the public shareholders
- II. Kirloskar Industries Limited has indicated that it would tender a maximum of 51,254 Equity Shares or such lower number depending on the response received from the public shareholders.

- 6.6 Details of the date and price of acquisition of the Equity Shares that promoters intend to tender are set-out below:

| MAHINDRA & MAHINDRA LIMITED | | | | | |
|--|-------------|-----------------------------|---|-------------------|---|
| Date of Acquisition | # of Shares | Nominal Value (₹) per share | Issue Price/ Transfer Price (₹) per share | Consideration (₹) | Nature of Transaction |
| 6 July 2007 | 7,417 | 10.00 | 151.00 | 11,19,967.00 | Purchased Shares pursuant to the Open Offer” |
| 16 February 2009 | 90,498 | 10.00 | 1.67 | 1,51,131.66 | Arising out of merger of Punjab Tractors Limited with M&M |
| Maximum # of Equity Shares intended to be tendered | | | | 97,915 | |

* In addition to the acquisition price, the open offer also entailed other expenses

| KIRLOSKAR INDUSTRIES LIMITED* | | | | | |
|--|-------------|-----------------------------|---|-------------------|-----------------------|
| Date of Acquisition | # of Shares | Nominal Value (₹) per share | Issue Price/ Transfer Price (₹) per share | Consideration (₹) | Nature of Transaction |
| 25 August 1989 | 51,254 | 10.00 | 10.00 | 5,12,540.00 | Subscription to IPO |
| Maximum # of Equity Shares intended to be tendered | | | | 51,254 | |

* The Name of the company has been changed from “Kirloskar Oil Engines Ltd.” to “Kirloskar Industries Ltd.” with effect from 31 March 2010, pursuant to a Scheme of Arrangement for Demerger between the Company and Kirloskar Engines India Ltd. (KEIL) as sanctioned by the Honble High Court of Judicature at Bombay, vide its Order dated 31 July 2009 read with its Order 19 March 2010.

- 7 The Company confirms that 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.

8 Confirmations from the Board

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- 8.1 That immediately following the date of the Board Meeting held on 28th November, 2017 and the date on which the Members’ resolution by Postal Ballot/E-voting (the “Postal Ballot Resolution”) was passed, there will be no grounds on which the Company could be found unable to pay its debts;

- 8.2 That as regards the Company's prospects for the year immediately following the date of the Board meeting held on 28th November, 2017 as well as the year immediately following the date on which the Postal Ballot Resolution approving the Buyback was passed, and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buyback or within a period of one year from the date of passing of the Postal Ballot Resolution, as the case may be;

- 8.3 In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act, and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

- 9 Report addressed to the Board of Directors by the Company's Auditor on permissible capital payment and opinion formed by directors regarding insolvency.

The text of the report dated 28th November, 2017 of B.K. Khare & Co, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board is reproduced below:

QUOTE

To,
The Board of Directors,
Swaraj Engines Limited
Phase IV, Industrial Area,
S.A.S. Nagar (Mohali)
Punjab - 160055

Dear Sirs,

Re: Proposed Buy-back of Equity Shares

In connection with the proposed Buy-back of Equity Shares by Swaraj Engines Limited (the “Company”) as approved by the Board of Directors at its meeting held on November 28, 2017 at a price of Rs. 2,400/- per share in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended (the “SEBI Buyback Regulations”); and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we confirm as under:

1. We have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2017 which have been approved by the Board of Directors of the Company.
2. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the table below is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2017.

| Particulars as on March 31, 2017 | Amount (Rs. in crores) | |
|--|------------------------|--------|
| Paid up capital (1,24,19,820 equity shares of Rs. 10/- each) | A | 12.42 |
| Free Reserves: | | |
| Retained earnings | | 110.57 |
| General reserve | | 159.97 |
| Total Free Reserves | B | 270.54 |
| Total paid up capital and free reserves | A+B | 282.96 |
| Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the total paid up capital and free reserves, if the buyback is carried through tender offer route (in accordance with Chapter III of the Buyback Regulations and section 68(2)(c) of the Act i.e. Rs. 70,73,92,513/-) | | 70.74 |
| Maximum amount permitted by Board Resolution dated November 28, 2017 approving Buyback, subject to shareholder approval, based on the audited financial statements for the year ended March 31, 2017 i.e. Rs. 70,73,90,400/-. | | 70.74 |

3. The Board of Directors of the Company, in their meeting held on November 28, 2017 have formed their opinion as specified in Part A, clause (x) of Schedule II to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated November 28, 2017, and from the date on passing of the shareholders’ resolution by Postal Ballot with regard to the proposed buyback.

Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Board of Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on November 28, 2017 is unreasonable in all the circumstances in the present context.

This report has been issued at the request of the Company solely for use of the Company in relation to filling information with the explanatory statement to the notice for special resolution and in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations and may not be suitable for any other purpose.

For B.K. Khare & Co,
Chartered Accountants
(Registration No. 105102W)
Munish Sarangi
Partner
(Membership No. 054106)

Date : 28th November, 2017
Place : Mumbai

UNQUOTE

10 RECORD DATE AND SHAREHOLDER ENTITLEMENT

- 10.1 As required under the Buy-back Regulations, the Company has fixed 12th January, 2018 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company shall be divided into two categories: (a) reserved category for small shareholders and (b) general category for all other Shareholders. In due course, Shareholders holding Equity Shares, either in physical or dematerialised form, as on the Record Date (“Eligible Shareholders”) will receive a letter of offer in relation to the Buyback (“Letter of Offer”) along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

- 10.2 As defined in the Buy-back Regulations, a “Small Shareholder” is a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on Record Date), of not more than ₹ 200,000/- (Rupees Two Lacs only).

- 10.3 In accordance with Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

- 10.4 On the basis of the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

- 10.5 After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.

- 10.6 Shareholders’ participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full and get cash in lieu of Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also accept a part of their entitlement. Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any.

- 10.7 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. If the Buyback entitlement for any Eligible Shareholder is not a round number (i.e. not a multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The Small Shareholders whose entitlement would be less than 1 Equity Shares may tender additional Equity Shares as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

- 10.8 The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations. Each Eligible Shareholder will receive the letter of offer along with a tender/offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

- 10.9 Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on the Record Date.

11 PROCESS AND METHODOLOGY FOR BUYBACK

- 11.1 The Buyback is open to all Eligible Shareholders / beneficial owners for Eligible Shareholders holding Equity Shares either in physical and/or dematerialized form on the Record Date.

- 11.2 The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular (“Stock Exchange Mechanism”) and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the Buyback Committee constituted by the Board authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

- 11.3 For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the “Company’s Broker”) to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in paragraphs 11.6 and 11.7. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company's Broker are as follows:

KOTAK SECURITIES LIMITED
27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
Contact Person: Ms. Naaz Khan, Tel.: +91 22 4285 2552,
Email: Naaz.Khan@kotak.com; Website: www.kotaksecurities.com
SEBI Registration No. NSE Capital Market: INB230808130; BSE Equity: INB010808153
CIN: U99999MH1994PLC134051

- 11.4 The Company will request BSE to provide the separate acquisition window (“Acquisition Window”) to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. The BSE would be the designated stock exchange for the Buyback (“Designated Stock Exchange”). The details of the Acquisition Window will be specified by the BSE from time to time.

- 11.5 During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers (“Stock Brokers”) during normal trading hours of the secondary market. The Stock Brokers can enter orders for demat shares as well as physical shares.

- 11.6 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form:

- 11.6.1 Eligible Shareholders who desire to tender their Equity Shares in electronic form under Buyback would have to do so through their respective Stock Broker by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.

- 11.6.2 The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder would

- 11.8 Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- 11.9 The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

12 METHOD OF SETTLEMENT

- 12.1 Upon finalization of the basis of acceptance as per Buy-back Regulations:
- 12.1.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 12.1.2 The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If the Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Stock Brokers' settlement bank account for onward transfer to such Eligible Shareholders.
- 12.1.3 The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buyback ("**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.
- 12.1.4 The Eligible Shareholders will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- 12.1.5 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned 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 Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Equity Shareholders holding Equity Shares in the physical form.

- 12.1.6 The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If the Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or any other bank, due to any reasons, the amount payable to the Eligible Shareholders will be transferred to the Stock Broker for onward transfer to the Eligible Shareholder.

- 12.1.7 Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker for details of any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Stock Broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

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

14 INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER

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

| | | |
|--------------------|---|---|
| Name | : | Mr. M.S. Grewal |
| Designation | : | Company Secretary & Compliance Officer |
| Address | : | Swaraj Engines Limited, Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160055 |
| Phone | : | +91 172 2271620-27 |
| Email id | : | selinvestor@swarajenterprise.com |

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 am to 4 pm on all working days except public holidays, at the above mentioned address.

15 REGISTRAR TO THE BUYBACK

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

| | | |
|-----------------------|---|--|
| Name | : | Karvy Computershare Private Limited |
| Address | : | Karvy Selenium, Tower B, Plot Number 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, India |
| Contact Person | : | Mr. M. Muralikrishna |
| Phone | : | +91- 40 - 6716 2222 |
| Fax | : | +91- 40 - 2343 1551 |
| Email | : | sel.buybackoffer@karvy.com |

In case of any query, the Shareholders may contact the Registrar, from Monday to Friday between 10 am to 4 pm on all working days except public holidays at the above mentioned address.

16 MANAGER TO THE BUYBACK

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



KOTAK MAHINDRA CAPITAL COMPANY LIMITED
Address: 27 BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Phone: +91-22-4336-0128; **Fax:** +91-22-6713-2447
Contact Person: Mr. Ganesh Rane
Email: project.swarajbuyback@kotak.com

17 DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Regulation 19(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of
Swaraj Engines Limited

Sd/-
 Subhash Mago
 Whole Time Director & CEO
 DIN : 07797207

Sd/-
 S. Durgashankar
 Director
 DIN : 00044713

Sd/-
 M.S. Grewal
 Company Secretary
 Membership No. 11587

Date : 3rd January, 2018

Place : Mohali