

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a registered Equity Shareholder(s) of SM Auto Stamping Limited ("Company"), as on the Record Date (as defined hereinafter) in accordance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended ("SEBI Buy-back Regulations"). If you require any clarification about the action to be taken, you may consult your stockbroker or your investment consultant or the Manager to the Buy-back, i.e. Saffron Capital Advisors Private Limited or the Registrar to the Buy-back, i.e. Bigshare Services Private Limited. Please refer the section entitled "Definition of Key Terms" for the definition of the capitalized terms used herein.



SM AUTO STAMPING LIMITED

Corporate Identification Number (CIN): L27109MH2006PLC163789
Registered Office: J-41, MIDC Ambad, Nashik-422010, Maharashtra, India
Corporate Office: C-13, MIDC Ambad, Nashik-422010, Maharashtra, India
Tel. No.: +91 253 6621102; **Fax:** +91 253 6601444; **Email:** companysecretary@smautostamping.com; **Website:** www.smautostamping.com
Contact Person: Pawan Mahajan, Company Secretary and Compliance Officer

OFFER TO BUY-BACK UP TO 6,00,000 (SIX LAKH) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF THE COMPANY ("EQUITY SHARES"), REPRESENTING 4.20% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE ELIGIBLE SHAREHOLDERS (AS DEFINED BELOW) OF THE COMPANY AS ON THE RECORD DATE, I.E. FRIDAY, DECEMBER 22, 2023, ON A PROPORTIONATE BASIS, THROUGH THE TENDER OFFER METHOD, AT A PRICE OF ₹ 60/- (RUPEES SIXTY ONLY) PER EQUITY SHARE, PAYABLE IN CASH, FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 3,60,00,000/- (RUPEES THREE CRORES SIXTY LAKH ONLY) EXCLUDING THE TRANSACTION COSTS ("BUY-BACK").

- The Buy-back is being undertaken pursuant to Article 25 of the Articles of Association of the Company, Sections 68, 69, 70 and other applicable provisions, if any, of the Act, the relevant rules framed thereunder, including the Share Capital Rules, the Management and Administration Rules, SEBI Listing Regulations, to the extent applicable, and the SEBI Buy-back Regulations read with SEBI Circulars or notifications, as may be applicable, including any amendment thereof. The Buy-back is further subject to approvals, permissions, consents, sanctions and exemptions, as may be necessary, and subject to such conditions and modifications, if any, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to the SEBI, the RoC and the BSE and/or other authorities, institutions or bodies, as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed and by the Board.
- The Buy-back Size is ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) excluding the Transaction Costs, which represents 18.40% and 17.05% of the aggregate of the Company's fully paid-up equity share capital, securities premium account and free reserves as per the standalone audited financial statements and consolidated audited financial statements of the Company as on September 30, 2023, respectively, (the latest audited financial statements available as on the date of the Board Meeting, recommending the proposal of the Buy-back) and is within the prescribed limit of 25%, in compliance with the proviso to Section 68(2)(b) of the Act and proviso to Regulation 4 of the SEBI Buy-back Regulations. Further, the Maximum Buy-back Shares represents 4.20% of the total number equity shares in the total paid-up equity share capital of the Company as on March 31, 2023, which is within the limit of 25% as per the provisions of the Act and the SEBI Buy-back Regulations.
- In accordance with the Buyback Regulations, this Letter of Offer is being sent through electronic means to the Equity Shareholders/Beneficial Owners holding Equity Shares of the Company as on the Record Date ("**Eligible Shareholders**") and that if any shareholder requires a physical copy of the Letter of Offer, a request has to be sent to the Company or Registrar to the Buyback and the same shall be sent to such shareholder's postal address registered with the Company.
- For details of the procedure for tender and settlement, please refer to the "Procedure for Tender Offer and Settlement" on page 37. The Form of Acceptance-cum-Acknowledgement (the "Tender Form") is enclosed together with this Letter of Offer.
- For details of the methodology adopted for the Buy-back, please refer to the "Process and Methodology for the Buy-back" on page 33.
- For mode of payment of cash consideration to the Eligible Shareholders, please refer to "Procedure for Tender Offer and Settlement-Method of Settlement" on page 37.
- A copy of the Public Announcement and this Letter of Offer (including the Tender Form) shall be available on the websites of the Company, the Securities and Exchange Board of India, the Registrar to the Buy-back, the Stock Exchange and the Manager to the Buy-back at www.smautostamping.com, <https://www.sebi.gov.in>, www.bigshareonline.com, www.bseindia.com and www.saffronadvisor.com, respectively.
- Eligible Shareholders are advised to read this Letter of Offer and in particular, refer to "Details of Statutory Approvals" and "Note on Taxation" on pages 32 and 44, respectively, before tendering their Equity Shares in the Buy-back.

MANAGER TO THE BUY-BACK



Saffron Capital Advisors Private Limited
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Contact Person: Narendra Kumar Gamini / Satje Darde

REGISTRAR TO THE BUY-BACK



Bigshare Services Private Limited
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SEBI Registration No.: INR000001385
Validity Period: Permanent
CIN: U99999MH1994PTC076534

BUYBACK PROGRAMME

BUY-BACK OPENS ON	Friday, December 29, 2023
BUY-BACK CLOSES ON	Thursday, January 04, 2024
LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUY-BACK	Thursday, January 04, 2024

BUYBACK ENTITLEMENT

Category of Eligible Shareholders	Ratio of Buyback (i.e. Buyback Entitlement)*
Reserved Category for Small Shareholders	1 Equity Share for every 6 Equity Shares held on the Record Date
General Category for all other Eligible Shareholders	1 Equity Shares for every 27 Equity Shares held on the Record Date

*For further information on Ratio of Buyback as per the Buyback Entitlement in each Category, please refer page 34 of this Letter of Offer.
ELIGIBLE SHAREHOLDERS CAN ALSO CHECK THEIR ENTITLEMENT ON THE WEBSITE OF THE REGISTRAR TO THE BUYBACK BY FOLLOWING THE STEPS GIVEN BELOW:

- Click on [<https://www.bigshareonline.com/BuyBack.aspx>]
- Select the name of the Company - 'SM Auto Stamping Limited-Buyback-2023'
- Select holding type - "Demat" or "Physical" or "PAN"
- Based on the option selected above, enter your 'DPID CLID' or 'Folio Number' or 'PAN'
- Then click on View button
- The entitlement will be provided in the pre-filled 'FORM OF ACCEPTANCE-CUM ACKNOWLEDGEMENT'

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1. SCHEDULE OF ACTIVITIES

Sr. No.	Activity Schedule	Day & Date
1)	Date of meeting of the Board of Directors approving the proposal for the Buy-back	Monday, November 06, 2023
2)	Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback	Saturday, December 09, 2023
3)	Date of Public Announcement for the Buy-back	Monday, December 11, 2023
4)	Date of publication of the Public Announcement for the Buy-back	Tuesday, December 12, 2023
5)	Record Date for determining the Buy-back Entitlement and the names of the Eligible Shareholders	Friday, December 22, 2023
6)	Last date for dispatch of Letter of Offer	Wednesday, December 27, 2023
7)	Date of opening of the Buy-back (“ Buy-back Opening Date ”)	Friday, December 29, 2023
8)	Date of closing of the Buy-back (“ Buy-back Closing Date ”)	Thursday, January 04, 2024
9)	Last date of receipt of completed Tender Forms and other specified documents by the Registrar to the Buy-back	Thursday, January 04, 2024
10)	Last date of completion of verification of Tender Forms by Registrar to the Buy-back	Monday, January 08, 2024
11)	Last date of intimation to the Designated Stock Exchange regarding acceptance/ non-acceptance of the tendered Equity Shares by the Registrar to the Buy-back	Wednesday, January 10, 2024
12)	Last date of completion of settlement of bids by the Clearing Corporation on the StockExchange	Thursday, January 11, 2024
13)	Last date of dispatch of share certificate(s) by the Registrar to the Buy-back/ unblocking/return of unaccepted demat Equity Shares in the account of the Eligible Shareholders/Seller Broker	Thursday, January 11, 2024
14)	Last date of payment of consideration to Eligible Shareholders who participated in the Buy-Back	Thursday, January 11, 2024
15)	Last date of extinguishment of the Equity Shares	Monday, January 22, 2024

Note: In case the last date is mentioned for certain activities, such activities may be completed on or before such last date.

2. DEFINITION OF KEY TERMS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buy-back Regulations, the Companies Act, the SEBI Depositories Act, 1996 and the rules and regulations made thereunder.

Terms	Description
Acceptance/Accept/ Accepted	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buy-back
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by BSE in the form of a separate window in accordance with the SEBI Circulars.
Act / Companies Act	the Companies Act, 2013 and relevant rules made thereunder (including any statutory modifications or amendments thereof)
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholders over and above the Buy-back Entitlement of such Eligible Shareholder not exceeding the Equity Shares held by such Eligible Shareholder as on the Record Date.
Articles/Articles of Association/AoA	Articles of Association of the Company, as amended from time to time
Board/ Board of Directors/ Director(s)	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Buy-back Committee' thereof)
Board Meeting	Meeting of the Board of Directors of the Company held on Monday, November 06, 2023, approving the proposal for the Buy-back
Buy-back / Buy-back Offer / Offer	The buy-back by the Company of its fully paid-up Equity Shares of face value ₹ 10/- each of up to 6,00,000 (Six Lakh) Equity Shares at a price of ₹ 60/- (Rupees Sixty only) per Equity Share for cash aggregating upto ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) from the Equity Shareholders/Beneficial Owners holding Equity Shares of the Company on a Record Date through Tender Offer process, on a proportionate basis
Buy-back Closing Date	Thursday, January 04, 2024
Buy-back Committee	Buy-back Committee comprising of Mukund Narayan Kulkarni, Suresh Gunwant Fegde and Jayant Suresh Fegde constituted on Monday, November 06, 2023, by a resolution of the Board of Directors, and duly authorized for the purpose of this Buy-back
Board	Board of Directors of the Company, or the Authorized Committee for the purpose of the Buy-back
BSE	BSE Limited
Buy-back Entitlement	The number of Equity Shares that a Eligible Shareholder is entitled to tender in the Buy-back Offer, based on the number of Equity Shares held by that Eligible Shareholder, on the Record date and the Ratio of Buy-back applicable in the category, in which such Shareholder belongs to.
Buy-back Opening Date	Friday, December 29, 2023
Buy-back Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e., ₹ 60/- (Rupees Sixty only) per Equity Share, payable in cash.
Buy-back Offer Size	Maximum number of Equity Shares proposed to be bought back i.e., up to 6,00,000 (Six Lakh) Equity Shares multiplied by the Buy-back Offer Price i.e., ₹ 60/- (Rupees Sixty only) per Equity Share aggregating to ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only), excluding Transaction Costs
Buy-back Period	The period between the date of declaration of results of the postal ballot for

	approving the Buy-back of the Company i.e., Saturday, December 09, 2023 and the date on which the payment of consideration to the shareholders, whose Equity Shares have been accepted under the Buy-back, will be made i.e., Thursday, January 11, 2024
Buying Broker/ Company's Broker	Choice Equity Broking Private Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Company/ the Company/ "we" / "us" / "our"	SM Auto Stamping Limited, having registered office at J-41, MIDC Ambad, Nashik-422010, Maharashtra, India
Company Demat Account	A demat account of the Company wherein Demat Shares bought back in the Buy-back would be transferred
Demat Share(s)	Equity Share(s) of the Company in dematerialised form
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited.
Depositories Act	The Depositories Act, 1996
Designated Stock Exchange	The designated stock exchange for the Buy-back, being BSE Limited
DIN	Director Identification Number
Director(s)	Director(s) of the Company
DP	Depository Participant
Eligible Shareholders	Person(s) eligible to participate in the Buy-back Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, December 22, 2023 and do not include such shareholders/beneficial owners of the Equity Shares who are not permitted under the applicable law to tender Equity shares in the Buy-back.
EPS	Earnings per Equity Share
Equity Shares / Shares	Fully paid-up Equity Shares of face value of ₹ 10/- (Rupee Ten only) each of the Company
Equity Shareholder(s)/ Shareholder(s)	Holder(s) of the Equity Shares and includes beneficial owners thereof
Escrow Bank/Escrow Agent	ICICI Bank
Escrow Account	The Escrow Account in the name and style of "SM Auto Stamping Limited Buyback Escrow Account" opened with Escrow Agent in accordance with Escrow Agreement
Escrow Agreement	The Escrow Agreement dated December 11, 2023 to be entered into between the Company, the Manager to the Buy-back and the Escrow Agent.
FEMA	Foreign Exchange and Management Act, 1999, as amended from time to time, including the regulations, circulars, directions and notifications issued thereunder
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
General Category	Eligible Shareholders other than the Small Shareholders
HUF	Hindu Undivided Family
IT Act/ Income Tax Act	The Income-tax Act, 1961, as amended
Letter of Offer / LOF / Offer Document	This Letter of Offer dated December 27, 2023 to be filed with SEBI containing disclosures in relation to the Buy-back as specified in Schedule III of the SEBI Buy-back Regulations
MCA	Ministry of Corporate Affairs
Management and Administration Rules	The Companies (Management and Administration) Rules, 2014
Manager to the Buy-back/Manager	Saffron Capital Advisors Private Limited

Memorandum of Association/MoA	Memorandum of Association of the Company, as amended
N. A.	Not Applicable
Non-Resident Shareholders	Includes NRIs, FIIs, FPIs, foreign corporate bodies (including OCBs) and foreign nationals etc.
NECS	National Electronic Clearing Services
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
PA / Public Announcement	Public Announcement regarding the Buy-back dated Monday, December 11, 2023 and published in Financial Express (English newspaper), Janasatta (Hindi newspaper) and Aapla Mahanagar (a regional language Marathi newspaper) on Tuesday, December 12, 2023
PAN	Permanent Account Number
Persons in Control	Promoters and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under the SEBI Takeover Regulations and filings with the stock exchange under Regulation 31 of the SEBI LODR Regulations
Physical Share(s)	Equity Share(s) of the Company in physical form
Promoter(s)	Alka Mukund Kulkarni, Suresh Gunwant Fegde, Mukund Narayan Kulkarni, Ajinkya Mukund Kulkarni, Jayant Suresh Fegde, Aditya Mukund Kulkarni and Reshma Jayant Fegde
RBI	Reserve Bank of India
Record Date	Friday, December 22, 2023, being the date for the purpose of determining the Buy-back Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer (including the Tender Form) will be sent, and who are eligible to participate in the proposed Buy-back in accordance with the SEBI Buy-back Regulations
Registrar to the Offer / Registrar to the Buy-back	Bigshare Services Private Limited
Regulations / SEBI Regulations / SEBI Buy-back Regulations / Buy-back Regulations	The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time
Reserved Category	Small Shareholders eligible to tender Equity Shares in the Buy-back
RoC	Registrar of Companies, Mumbai, Maharashtra
SEBI	The Securities and Exchange Board of India
SEBI Circulars	SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and the SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force
SEBI (LODR) Regulations, 2011/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder's Broker/ Stockbroker	The stockbrokers (who is a member of the BSE) of an Eligible Shareholder, through whom such Eligible Shareholder can participate in the Buy-back
Share Capital Rules	The Companies (Share Capital and Debentures) Rules, 2014, as amended
Small Shareholder	As defined under Regulation 2(i)(n) of the SEBI Buy-back Regulations and in relation to the Buy-back means an Eligible Shareholder, who holds Equity Shares of market value of not more than ₹ 2,00,000/- (Rupees Two Lakhs only), on the basis of closing price on BSE, as on the Record Date.
Stock Exchange	BSE, being the Stock Exchange where the Equity Shares of the Company are listed
STT	Securities Transaction Tax
Tender Form/Form(s)	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buy-back

Tender Offer	Method of Buy-back as defined in Regulation 2(i)(q) of the SEBI Buy-back Regulations
Tendering Period	Period of 5 (Five) Working Days from the Buy-back Opening Date till the Buy-back Closing Date (both days inclusive)
Transaction Costs	Any expenses incurred or to be incurred for the Buy-back viz. brokerage, costs, fees, turnover charges, taxes such as Buy-back tax, securities transaction tax and goods and services tax (if any), stamp duty, advisor's fees, filing fees, publication expense, printing and dispatch expenses and other incidental and related expenses and charges
TRS	Transaction Registration Slip
United States/U.S.	United States of America
Working Day(s)	Working day as defined in the SEBI Buy-back Regulations

Certain conventions, currency of presentation, use of financial information and stock market data

Page Numbers and Paragraph Numbers:

Unless otherwise stated, all references to page numbers and paragraph numbers in this Letter of Offer are to page numbers of this Letter of Offer.

Currency and Units of Presentation:

All references to "Rupee(s)", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Letter of Offer is from the audited financial statement for the financial year(s) ended March 31, 2021, March 31, 2022, March 31, 2023 and for the six months period for the period ended September 30, 2023.

Our Company's financial year commences on April 1 of each year and ends on March 31 of the next year (referred to herein as "**Financial Year**" or "**FY**"). All data related to financials are given in ₹ crores unless otherwise stated.

Stock Market Data: Unless stated or the context requires otherwise, stock market data included in this Letter of Offer is derived from the website of the BSE.

3. DISCLAIMER CLAUSE

As required under the SEBI Buy-back Regulations, a copy of this Letter of Offer has been submitted to the 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 Buy-back commitments or for the correctness of the statements made or opinions expressed in the Letter of Offer. The Manager to the Buy-back, Saffron Capital Advisors Private Limited, has certified that the disclosures made in the Letter of Offer are generally adequate and are in conformity with the provisions of Act and SEBI Buy-back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buy-back.

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 Letter of Offer, Manager to the Buy-back 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 Buy-back, Saffron Capital Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated December 27, 2023 in accordance with SEBI Buy-back Regulations which reads as follows:

*"We have examined various documents and materials relevant to the Buy-back, as part of the due diligence carried out by us in connection with the finalisation of the Public Announcement dated December 11, 2023 ("**Public Announcement**") which was published on December 12, 2023 and this Letter of Offer dated December 27, 2023 ("**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 Buy-back Offer.*

- *All the legal requirements connected with the said Buy-back Offer including the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with.*
- *The disclosures in the Public Announcement and this 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 Buy-back Offer.*
- *Funds to be used for Buy-back shall be as per the provisions of the Companies Act.”*

The filing of this Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy-back.

The Promoters and Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders 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/ misrepresentation, the Promoters / Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI Buy-back Regulations.

The Promoters and Board of Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buy-back.

Disclaimer for U.S. Persons:

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulations of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for persons in foreign countries other than U.S.:

This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Persons in possession of this Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

Important notice to all Equity Shareholders:

This Letter of Offer has been prepared for the purposes of compliance with the SEBI Buy-back Regulations. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.

This Letter of Offer does not and will not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Letter of Offer shall be dispatched to all Eligible Shareholders as per the SEBI Buy-back Regulations and such other circulars or notifications, as may be applicable. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Tender Offer, or where making this Tender Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholders as an offer being made to them. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and

agreed that he, she or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

Forward Looking Statements

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in which the Company operates and its ability to respond to them, the Company’s ability to successfully implement its strategy, its growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India or other key markets where it operates which have an impact on its business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

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

4. TEXT OF RESOLUTION PASSED AT MEETING OF THE BOARD OF DIRECTORS

Quote

RESOLVED THAT pursuant to Article 25 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 108, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**the “Companies Act”**) read with, rules framed under the Companies Act, including the Companies (Share Capital and Debentures) Rules, 2014 (to the extent applicable) (hereinafter referred to as the **“Share Capital Rules”**), the Companies (Management and Administration) Rules, 2014 and other relevant rules made thereunder, each as amended from time to time and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (**“SEBI Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**) (including re-enactment of the Companies Act or the rules made thereunder or the SEBI Buyback Regulations, or the SEBI Listing Regulations) and subject to such other approvals, permissions, consents, sanctions and exemptions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies, Mumbai (**the “RoC”**), BSE Limited (**“BSE”**) and/ or other authorities, institutions or bodies (together with SEBI and BSE, the **“Appropriate Authorities”**), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed, and subject to the approval by the shareholders by way of a special resolution by postal ballot through electronic voting only, the Board of Directors of the Company (**“Board”**), which term shall be deemed to include any committee of the Board and/ or officials, which the Board may constitute/authorise to exercise its powers, including the powers conferred by this resolution) hereby consents and approves the buyback by the Company of its fully paid-up equity shares having a face value of ₹10/- (Rupees Ten Only) each (**“Equity Shares”**), not exceeding 6,00,000 (Six Lakhs) Equity Shares (representing 4.20% of the total number of Equity Shares in the total paid-up equity capital of the Company at a maximum price of upto ₹ 60/- (Rupees Sixty only) per Equity Share (**“Buyback Offer Price”**) subject to any increase to the buyback offer price as may be approved by the Board or the Buyback Committee thereof, payable in cash for an aggregate amount upto and not exceeding ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakhs only), excluding tax payable under Income Tax Act, 1961, as amended and any expenses incurred or to be incurred for the Buyback viz. brokerage costs, fees, turnover charges, taxes such as tax on Buyback, securities transaction tax and goods and services tax (if any), stamp duty, filing fees to SEBI, stock exchange charges, advisors/legal fees, printing and dispatch expenses, if any, public announcement

publication expenses and other incidental and related expenses and charges (“**Transaction Costs**”), which represents 18.40% and 17.05% of the aggregate of the Company’s paid-up capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the half year ended as on 30th September, 2023 respectively (which is within the statutory limits of 25% of the aggregate of the fully paid-up equity share capital and free reserves of the Company, based on the audited standalone and consolidated financial statements of the Company for the half year ended on 30th September, 2023 respectively, as per the provisions of the Companies Act and SEBI Buyback Regulations) from all the shareholders/ beneficial owners of the Equity Shares of the Company (except any shareholders/beneficial owners who may be specifically prohibited under the applicable laws by Appropriate Authorities), including promoters (as defined under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and to be referred as “**Promoters**”) and members of the promoter group, as on a record date (“**Eligible Shareholders**”) to be subsequently decided by the Board (“**Record Date**”), through the “**tender offer**” route, on a proportionate basis as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the “**Buyback**”).

RESOLVED FURTHER THAT as required under Regulation 6 of the SEBI Buyback Regulations, the Company shall buyback Equity Shares from the existing shareholders including promoters and promoter group of the Company (including members thereof) and persons in control (including persons acting in concert) who holds equity shares of the Company as on Record Date (“**Eligible Shareholders**”), on a proportionate basis under the Tender Offer, provided that 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 as defined in the SEBI Buyback Regulations (“**Small Shareholders**”), whichever is higher, shall be reserved for the small shareholders in accordance with the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” pursuant to Tender-Offers under Takeovers, Buy Back and Delisting” as notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI’s circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and SEBI circular SEBI/HO/CFD/DCR-II/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force (“**SEBI Circulars**”) or such other circulars or notifications, as may be applicable and the Company shall approach BSE Limited , as may be required, for facilitating the same.

RESOLVED FURTHER THAT, the proposed Buyback be implemented from the existing shareholders including the promoter(s) and promoter group of the Company (as have been disclosed under the shareholding pattern filings made by the Company from time to time under the Listing Regulations and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”), from out of its free reserves and/or securities premium account and/or such other sources or by such mechanisms as may be permitted by applicable laws, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT, as required under the provisions of Section 68(6) of the Companies Act read with Regulation 8(i)(b) of the SEBI Buyback Regulations, the draft of the declaration of solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and is hereby approved and that, Mr. Mukund Narayan Kulkarni, Chairman and Managing Director of the Company (DIN: 00248797) and Mr. Suresh Gunwant Fegde, Whole-time Director of the Company (DIN: 00248850), be and are hereby authorized jointly to sign the same, for and on behalf of the Board and file the same with the RoC and the SEBI and/or other concerned authorities, as may be necessary, in accordance with the applicable laws.

RESOLVED FURTHER THAT, the Buyback is being proposed in keeping with the Company’s desire to (a) optimize returns to shareholders; (b) the Buyback would help in improving financial ratios like earnings per share and return on equity, by reducing the equity base of the Company;(c) as the reservation of up to 15% for small shareholders would benefit a large number of the Company’s public shareholders, who would be classified as “Small Shareholders”; and (d) The Buyback gives the Eligible Shareholders (as defined below) the choice to either (A) participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback, or (B) not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

RESOLVED FURTHER THAT, the approval of the shareholders by way of a special resolution by postal ballot including electronic voting/through electronic voting only (“**Postal Ballot**”) be sought and the draft of the notice for the Postal ballot (“**Postal ballot Notice**”), the accompanying Special Resolution and explanatory statement as circulated to the Board be and is hereby approved.

RESOLVED FURTHER THAT, the Company Secretary be and is hereby authorized to sign and circulate the said Postal Ballot Notice to the members of the Company.

RESOLVED FURTHER THAT, CS Sanil Ramesh Devghare of M/s. S R Devghare & Co, Practicing Company Secretary bearing Membership No A69192, COP No. 25779 be and is hereby appointed as the scrutinizer for conducting e voting process and the Postal Ballot in accordance with the Companies Act in a fair and transparent manner.

RESOLVED FURTHER THAT, Mr. Mukund Narayan Kulkarni, Chairman and Managing Director of the Company (DIN: 00248797) and Mr. Suresh Gunwant Fegde, Whole-time Director of the Company (DIN: 00248850) be and is hereby appointed as the authorized person responsible for co-coordinating with the Scrutinizer the entire process for e-voting and ballot voting in a fair and transparent manner."

RESOLVED FURTHER THAT, Bigshare Services Private Limited be and is hereby appointed as an agency to provide electronic voting platform in connection with the resolution proposed for approval of the shareholders by Postal ballot.

RESOLVED FURTHER THAT, Company shall implement the Buyback out of its securities premium account, free reserves and/ or such other sources as may be permitted by law, and the Buyback shall be through tender offer in such manner as may be prescribed under the Companies Act and the Buyback Regulations, and on such terms and conditions as the Board may deem fit.

RESOLVED FURTHER THAT, the Buyback from the Eligible Shareholders who are persons residents outside India, including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies) and qualified institutional buyers including foreign portfolio investors, shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, Income Tax Act, 1961 and rules framed there under, as amended if any, and that such approvals shall be required to be taken by such non-resident shareholders.

RESOLVED FURTHER THAT the amount required by the Company for the Buyback is intended to be met out of the Company's current balances of cash and cash equivalents, investments, and/or internal accruals of the Company (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.

RESOLVED FURTHER THAT as required by Clause (x) of Schedule I in accordance with Regulation 5(iv)(b) of the Buyback Regulations, the Board hereby confirms that it has made full enquiry into the affairs and prospects of the Company and has formed an opinion, that:

- a. immediately following the date of this Board Meeting and the date on which the results of shareholders resolution passed by way of Postal ballot will be declared ("**Postal Ballot Resolution**"), there will be no grounds on which the Company can be found unable to pay its debts:
- b. as regards the Company's prospects for the year immediately following the date of Board Meeting as well as for the year immediately following the date of Postal Ballot Resolution, 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 this Board Meeting as also from the date of Postal Ballot Resolution; and
- c. in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, or the Insolvency and Bankruptcy Code, 2016, as applicable.

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

- i. all Equity Shares of the Company are fully paid up;
- ii. the Company shall not issue and allot any Equity Shares or other specified securities including by way of bonus issue till the expiry of the buyback period from the date of this resolution including by way of bonus issue till the expiry of the buyback period i.e. from the date of declaration of results of the Postal Ballot Resolution till the date on which the payment of consideration to shareholders who have accepted the buyback offer is made in accordance with the Companies Act and the Buyback

- Regulations (“Buyback Period”);
- iii. The Company, as per the provisions of Section 68(8) of the Companies Act, shall not make any further issue of the same kind of Equity Shares or other securities including allotment of new equity shares under Section 62(1)(a) or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or Equity Shares issued in order to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
 - iv. Unless otherwise as may be specifically permitted under any relaxation circular issued by SEBI, as per Regulation 24(i)(f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the buyback offer is made except in discharge of subsisting obligations;
 - v. the Company shall not buyback its Equity Shares or other specified securities 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;
 - vi. The aggregate amount of the Buyback i.e. up to Rs. 3,60,00,000/- (Rupees Three Crore Sixty Lakhs only) does not exceed 25% of the total paid-up capital, securities premium account and free reserves of the Company as per the audited standalone and consolidated financial statements of the Company for half year ended 30th September, 2023.
 - vii. the number of Equity Shares proposed to be purchased under the Buyback i.e.6,00,000 (Six Lakhs) Equity Shares does not exceed 25% of the total number of Equity shares in the total paid-up equity capital of the Company as on 31st March, 2023.
 - viii. there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act (“Scheme”) involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme;
 - ix. the Company shall not make any further offer of buyback within a period of one year reckoned from the expiry of the buyback period;
 - x. the Company shall not withdraw the Buyback offer after the letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made;
 - xi. the Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the SEBI Buyback Regulations and any other applicable laws;
 - xii. the Company shall not utilize any borrowed funds, whether secured or unsecured, of any form or nature, from banks or financial institutions for the purpose of buying back its Equity Shares tendered in the Buyback;
 - xiii. the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies, or through any investment company or group of investment companies;
 - xiv. The Company shall earmark and make arrangements for adequate sources of funds for the purpose of the Buyback in accordance with the Buyback Regulations;
 - xv. the company is in compliance with the provisions of Section 92, 123, 127 and 129 of the Companies Act;
 - xvi. the Company will ensure consequent reduction of its share capital post Buyback and the Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Companies Act within the specified timelines;
 - xvii. there are no defaults (either in past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest 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 shareholder or financial institution or banking company, as the case may be;
 - xviii. the Company will not buyback Equity Shares which are locked-in or non-transferable until the pendency of such lock-in, or until the time the Equity Shares become transferable, as applicable;
 - xix. the consideration for the Buyback shall be paid by the Company only in cash;
 - xx. the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall be less than or equal to 2:1 of its paid-up capital and free reserves based on the audited standalone and consolidated financial statements of the Company as on 30th September, 2023 respectively, as prescribed under the Companies Act and the SEBI Buyback Regulations;
 - xxi. the Company shall transfer from its free reserves or securities premium account and/ or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited standalone and consolidated financial statements;

- xxii. the Buyback shall not result in delisting of the Equity Shares or other specified securities from BSE Limited (“**Stock Exchange**”).
- xxiii. the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI Listing Regulations and under the Securities Contracts (Regulation) Rules, 1957, as amended;
- xxiv. as per Regulation 24(i)(e) of the SEBI Buyback Regulations, the promoters and members of promoter group, and their associates shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters and members of promoter group) from the date of this resolution till the closing of the Buyback offer;
- xxv. The Buyback will not be in contravention of Regulation 4(vii) of Buyback Regulations, i.e. the Company has not made the offer of Buyback within a period of one year reckoned from the date of expiry of buyback period of the preceding offer of buyback; and
- xxvi. The Company shall not undertake the Buyback unless it has obtained the prior consent of its lenders in case of breach of any covenant with such lenders. The Company confirms that the covenants with lenders are not being breached pursuant to the Buyback;

RESOLVED FURTHER THAT the powers of the Board in respect of Buyback be and are hereby delegated to the committee (the “**Buyback Committee**”) comprising:

Sr. No	Committee Members	Designation
1	Mukund Narayan Kulkarni	Managing Director
2	Suresh Gunwant Fegde	Whole time director
3	Jayant Suresh Fegde	Non-executive director

RESOLVED FURTHER THAT, the Buyback Committee and each member of the Buyback Committee be and is hereby severally authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, in relation to the Buyback, including but not limited to the following:

- i. To seek all regulatory approvals, if any;
- ii. To give any information, explanation, declarations and confirmations in relation to the public announcement and any other advertisements, as may be required by the relevant authorities including Securities and Exchange Board of India (“SEBI”);
- iii. To decide and announce the Record Date and entitlement ratio for the purpose of Buyback.
- iv. To determine the specific price at which the Buyback may be made, which will be subject to the Final Buyback Offer Price, and adjust the number of Equity Shares within the Buyback Size.
- v. To appoint, authorize, enter into agreements with and issue necessary instructions to Merchant Bankers, Registrar, Custodians, advertising agencies, escrow agents, brokers, depository participants and all other intermediaries, advisors, consultants etc. as may be required, desired or considered expedient for the implementation of the Buyback.
- vi. To open, operate and close one or more bank accounts including escrow accounts required, if any, and to enter into escrow and other agreements with and to give instructions to the bankers in connection therewith, and provide bank guarantee(s) or other collateral as may be required on such terms as deemed fit and to decide authorized signatories to such bank accounts including escrow accounts.
- vii. To open, operate and close one or more depository accounts/ trading accounts / buyer broker accounts and to open, operate and close special trading window accounts with the BSE Limited and to decide the authorized signatories for depository accounts/trading accounts/buyer broker accounts/special trading window account.
- viii. To authorize bankers to act upon the instructions of the Merchant Banker as required under the Buyback Regulations.
- ix. To adopt text of and to make Public Announcement, Letter of Offer, advertisements, and all offer documents with respect to the Buyback (“**Buyback Offer Documents**”) and any revision thereto.
- x. To file copies of the Buyback Offer Documents, the Declaration of Solvency and any revision thereto with SEBI, the stock exchange and other appropriate authorities and all necessary certificates, returns, declarations, undertakings, confirmations and all other documents required to be filed in connection with the Buyback with appropriate authorities.
- xi. To decide on opening date for commencing of offer for Buyback and closing date thereof.
- xii. To decide on the time-table from the opening of the offer till the extinguishment of the shares.
- xiii. To carry out management discussion and analysis on the likely impact of the Buy Back on the Company’s earnings, public holdings, holdings of NRIs/FIIs, etc., and change in management

- structure.
- xiv. To issue, furnish and make disclosures, certificates, returns, confirmations etc. as may be required under the Act, Buyback Regulations, Listing Regulations or other applicable law and to file such documents with the relevant persons as may be required under the Act, Buyback Regulations, Listing Regulations or other applicable law.
 - xv. To deal with stock exchanges (including their clearing corporations) where the equity shares of the Company are listed, and to sign, execute and deliver such documents as may be necessary or desirable in connection with implementation of the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI circular SEBI/HO/CFD/DCR/III/CIR/P/2021/615 dated August 13, 2021 including any further amendments thereof.
 - xvi. To alter, modify, amend the appointment / engagement and terms and conditions (including terms pertaining to remuneration / payment of commission, brokerage fees and charges) of the intermediaries and other third parties appointed for the Buyback;
 - xvii. To make any corrections, amendments, deletions, additions to the public announcement advertisements, letter of offer, or any other documents in relation to the Buyback and filing / publishing / submitting the revised public announcement, letter of offer and any other public notices or other documents in relation to the Buyback, as required by relevant authorities.
 - xviii. To obtain all necessary certificates and reports from the Statutory Auditors and other third parties.
 - xix. To settle and resolve any queries raised by SEBI, stock exchange, Registrar of Companies and any other authorities whatsoever in connection to any matter incidental to and ancillary of the Buyback.
 - xx. To make and file ‘Compliance Certificate’ as required under the Buyback Regulations.
 - xxi. To establish Investor Service Centre/s.
 - xxii. To verify offer/acceptances received.
 - xxiii. To finalize basis of acceptance.
 - xxiv. To pay to the shareholders consideration for shares bought back pursuant to the Buyback.
 - xxv. To issue rejection letters, if any.
 - xxvi. To extinguish shares bought back within the time limit specified under the Buyback Regulations.
 - xxvii. To file ‘Return of Buyback’ with Registrar of Companies and other statutory authorities.
 - xxviii. To maintain ‘Register of Securities bought back’.
 - xxix. To take appropriate action for the removal of difficulties if any and to decide on all matters in connection with or incidental to, the implementation of the Buyback.
 - xxx. To authorize the merchant bankers, Registrar or other agencies appointed for the purpose of buyback to carry out any of the above activities.
 - xxxi. To withdraw, postpone or to decide not to proceed with the Buyback as envisaged in the Buyback Regulations.
 - xxxii. To do all such acts, matters and things incidental or necessary in connection with the Buyback and sign and deliver such documents as may be necessary, desirable or expedient, including but not limited to, filing certified copies of all resolutions passed by the Board in connection with the Buyback.”

RESOLVED FURTHER THAT the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members (including at least one director of the Company) and the Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions and may approve the above resolutions including by way of circular resolutions.

RESOLVED FURTHER THAT BSE Limited, be and is hereby appointed as the designated stock exchange for the purpose of the Buyback.

RESOLVED FURTHER THAT Mr. Pawan Mahajan (ICSI Membership No A65674), Company Secretary of the Company be and is hereby appointed as the Compliance Officer for the Buyback, and Bigshare Services Private Limited, Registrar to the Buyback be and is hereby designated as the investors service centre for compliance with the buy-back regulations and to redress the grievances of the investors, as required under regulation 24(iii) of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Board hereby takes on record the engagement letter dated 13th October 2023, setting out the terms as mutually agreed between the Company and Saffron Capital Advisors Private Limited (“Saffron”), and the appointment of Saffron Capital Advisors Private Limited (“Saffron”), as the merchant banker to the Buyback in accordance with the Companies Act, as amended and SEBI Buyback Regulations, be and hereby ratified and approved.

RESOLVED FURTHER THAT, the Board hereby takes on record the draft report issued by M/s. S. R. Rahalkar and Associates, the Statutory Auditor of the Company, as required under clause (xi) of Schedule I of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT an escrow account be opened with **ICICI Bank (“Escrow Agent”)** for the purpose of the Buyback and the Company shall in accordance with the provisions of the Buyback Regulations, as and by way of security, for the performance of its obligations under the Buyback Regulations, enter into an escrow arrangement and agreements with the Escrow Agent and the manager to the Buyback and before the opening of the Buyback, deposit in the Escrow Account requisite amount in accordance with Regulation 9(xi) of the Buyback Regulations and the manager to the Buyback be and is hereby authorized to operate the Escrow Account in accordance with the Buyback Regulations.

RESOLVED FURTHER THAT Saffron Capital Advisors Private Limited is authorized to operate the Escrow Account and instruct the Escrow Agent to make the payment of the amount lying to the credit of the Escrow Account in accordance with the Buyback Regulations and/or the directions of SEBI.

RESOLVED FURTHER THAT in terms of the Buyback Regulations, in the event of non-fulfilment of the obligations under the Buyback Regulations by the Company, the monies deposited in the escrow account in full or in part shall be forfeited and distributed pro rata amongst the shareholders who accepted the offer and balance if any shall be utilized for investor protection in accordance with Buyback Regulations.

RESOLVED FURTHER THAT Mr. Mukund Narayan Kulkarni, Chairman and Managing Director of the Company (DIN: 00248797) and Mr. Suresh Gunwant Fegde, Whole-time Director of the Company (DIN: 00248850) and Mr. Jayant Suresh Fegde, Director of the company (DIN: 07193063) be and are severally to execute/perform the acts, deeds, documents, letters and things in the name and on behalf of the Company, as may be required, to execute the escrow agreement and deposit therein the escrow amount as required under the Buyback Regulations.

RESOLVED FURTHER THAT, no information/ material likely to have a bearing on the decision of the shareholders has been/ shall be suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in 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 and SEBI Buyback Regulations.

RESOLVED FURTHER THAT, nothing contained herein shall confer any right on any shareholder to offer or confer any obligation on the Company or the Board or the Buyback Committee to buy back any equity shares of the Company or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if permitted by law.

RESOLVED FURTHER THAT, the Company shall maintain a register of Equity Shares bought back wherein details of Equity Shares so bought, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in relation to the Buyback shall be entered and that Mr. Pawan Mahajan, (ICSI Membership No A65674) Company Secretary of the Company be and is hereby authorized to authenticate the entries made in the said register.

RESOLVED FURTHER THAT, the particulars of the Equity Share certificates extinguished shall be furnished by the Company to the stock exchanges within seven working days of such extinguishment and the dematerialised Equity Shares shall be extinguished in the manner as specified under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended, and the bye-laws, circulars, guidelines framed thereunder, each as amended, and that Mr. Pawan Mahajan, (ICSI Membership No A65674) Company Secretary of the Company be and is hereby authorized to do all such acts as may be required for this purpose.

RESOLVED FURTHER THAT Mr. Pawan Mahajan, (ICSI Membership No A65674), Company Secretary of the Company be and is hereby authorized to send the necessary intimations to the Stock Exchanges in relation to this resolution, as may be required under the SEBI Listing Regulations.

RESOLVED FURTHER THAT any actions taken so far in connection with the Buyback by the officers of the Company be and are hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT Mr. Mukund Narayan Kulkarni, Chairman and/or Managing Director of the Company (DIN: 00248797) and/or Mr. Suresh Gunwant Fegde, Whole-time Director of the Company (DIN: 00248850) and Mr. Pawan Mahajan, (ICSI Membership No A65674) company secretary of the company, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, and to do all such acts, deeds and things or incidental for signing and filing of forms, payment of fees etc. and to do all such other acts, things and deeds, as may be required for the aforesaid purpose or other services as that may be necessary to give effect to the above resolutions.

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

- 5.1 In accordance with the provisions of Regulation 7(i) of the Buy-back Regulations, the Company has made the Public Announcement dated December 11, 2023, which was published on December 12, 2023 in the following newspapers:

Name of the Newspaper	Language	Edition
Financial Express	English	All Editions
Janasatta	Hindi	All Editions
Aapla Mahanagar	Marathi*	Nashik Edition

**Being the regional language of Nashik, where the Registered Office of the Company is located.*

- 5.2 The Public Announcement was published within 2 (two) Working Days from the date of declaration of results of the Postal Ballot for special resolution by the Equity Shareholders approving the Buy-back, the results of which were declared on Saturday, December 09, 2023.
- 5.3 The Company will publish further notices or corrigendum, if any, in the abovementioned newspapers.
- 5.4 A copy of the Public Announcement is available on the website of the Company, i.e., www.smautostamping.com, the Manager to the Buy-back, i.e., www.saffronadvisor.com, website of the Registrar to the Buyback i.e., www.bigshareonline.com the website of SEBI i.e., www.sebi.gov.in and on the websites of the Stock Exchange i.e., www.bseindia.com.
- 5.5 After dispatch of the Letter of Offer, the Company will publish an advertisement in all editions of the Financial Express, an English daily and all editions of Jansatta, Hindi national daily, and Nashik edition of Aapla Mahanagar, a regional language Marathi daily to inform the Eligible Shareholders about the completion of dispatch of letter of offer. The dispatch advertisement will also include the link for shareholders to check their entitlement under the Buyback.

6. DETAILS OF THE BUY-BACK

- 6.1 Pursuant to the resolution passed by the Board of Directors of SM Auto Stamping Limited on Monday, November 06, 2023, the Company, hereby, announces the Buy-back of up to 6,00,000 (Six Lakh) Equity Shares (representing 4.20% of the total number of equity shares in the total paid-up equity capital of the Company as on March 31, 2023) from the Eligible Shareholders as on the Record Date i.e., Friday, December 22, 2023 (for further details in relation to the Record Date, refer to section entitled “*Process and Methodology of Buy-back*” of this Letter of Offer), at a price of ₹ 60/- (Rupees Sixty only) per Equity Share, payable in cash, for an aggregate amount not exceeding ₹ 3,60,00,000 (Rupees Three Crore Sixty Lakh only), excluding Transaction Costs (“Maximum Buy-back Size”) being within the 25% of the aggregate paid-up capital and free reserves of the Company as per the standalone audited financial statements and consolidated audited financial statements of the Company for the half year ended September 30, 2023, in compliance with the proviso to Section 68(2)(b) of the Act and proviso to Regulation 4 of the SEBI Buy-back Regulations, on a proportionate basis through tender offer in accordance with the provisions of the Companies Act, and in compliance with the Buy-back Regulations.
- 6.2 The Equity Shares are listed only on the SME Platform of the BSE Limited (“**BSE**” or “**Stock Exchange**”).

- 6.3 The Buy-back is less than 25% of the aggregate paid-up capital and free reserves of the Company as per the standalone audited financial statements and consolidated audited financial statements of the Company for the half year ended September 30, 2023, permitted through the Shareholders approval route as per the provisions of the Companies Act and Buy-back Regulations.
- 6.4 The Buy-back is being undertaken in terms of Chapter III of the Buy-back Regulations, Sections 68, 69, 70 and any other applicable provisions of the Companies Act and the rules made thereunder, and various circulars issued by Ministry of Corporate Affairs and LODR Regulations. Additionally, the Buy-back 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 the SEBI Circulars and stock exchanges rules and regulations. The Buy-back is subject to receipt of such other approvals, permissions, consents, exemptions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the statutory, regulatory, governmental authorities or other appropriate authorities while granting such approvals, permissions, consents, exemptions and sanctions, as may be required from time to time under the applicable laws.
- 6.5 The Buy-back shall be undertaken on a proportionate basis from the Eligible Shareholders of the Equity Shares of the Company as on the Record Date through the “tender offer” process prescribed under Regulation 4(iv)(a) of the SEBI Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, implemented by the Company using the Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting ("**Stock Exchange Mechanism**") notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and the SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force ("**SEBI Circulars**"). In this regard, the Company will request the BSE to provide the Acquisition Window for facilitating tendering of Equity Shares under the Buy-back and for the purposes of this Buy-back, BSE will be the designated stock exchange.
- 6.6 The maximum amount proposed to be utilized for the Buy-back, does not exceed ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) and is therefore within the limit of 25% of the aggregate paid-up capital, securities premium account and free reserves of the Company as per the standalone audited financial statements and consolidated audited financial statements of the Company for the half year ended September 30, 2023.
- 6.7 In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, Alka Mukund Kulkarni and Suresh Gunwant Fegde, the Promoters of the Company have expressed their intention to participate in the Buy-back vide their letter(s) dated November 03, 2023 and may tender, based on its entitlement, up to an aggregate maximum of 6,00,000 Equity Shares, as disclosed below, or such lower number of Equity Shares, in accordance with the provisions of the SEBI Buy-back Regulations or permitted under the applicable laws:

S. No.	Name of the Promoter Shareholder	Maximum Number of Equity Shares intended to be offered in the Buy-back
1.	Alka Mukund Kulkarni	4,00,000
2.	Suresh Gunwant Fegde	2,00,000
	TOTAL	6,00,000

- 6.8 The Buy-back would be subject to the condition of maintaining Minimum Public Shareholding requirements as specified in Regulation 38 of SEBI (LODR) Regulations, 2015, as amended.
- 6.9 The company confirms that the public shareholding post buy-back will not fall below the minimum level as required under as per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6.10 The Buy-back from the Eligible Shareholders who are Non-Resident Shareholders (including non-resident Indians, foreign nationals, foreign institutional investors/ foreign portfolio investors, foreign corporate bodies and erstwhile overseas corporate bodies), shall be subject to such approvals, if any, and to the extent necessary or required from the concerned authorities including approvals from the RBI under the FEMA, and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such Non-Resident Shareholders.

6.11 The Buy-back would involve reservation for Small Shareholders which will be 15% of the number of Equity Shares that the Company proposes to Buy-back, or their entitlement, whichever is higher.

6.12 The aggregate shareholding of (i) promoters, members of the promoter group (“**Promoter Group**”) and persons in control of the Company; (ii) the directors/partners/trustees of the Promoter and Promoter Group of the Company; and (iii) directors and key managerial personnel of the Company as on the Board Meeting Date / date of Postal Ballot Notice, i.e., Monday, November 06, 2023 and on the date of the Public Announcement i.e. Monday, December 11, 2023:

(i) Aggregate shareholding of the Promoter, Promoter Group and persons in control of the Company is as follows:

S. No.	Name of the Shareholder	No. of Equity Shares held	% of Shareholding
1.	Alka Mukund Kulkarni	68,95,352	48.26
2.	Suresh Gunwant Fegde	35,52,164	24.86
3.	Mukund Narayan Kulkarni	100	Negligible
4.	Ajinkya Mukund Kulkarni	100	Negligible
5.	Jayant Suresh Fegde	100	Negligible
6.	Aditya Mukund Kulkarni	8	Negligible
7.	Reshma Jayant Fegde	8	Negligible
TOTAL		1,04,47,832	73.12

(Source: www.bseindia.com)

(ii) Aggregate shareholding of the directors/partners/trustees of the Promoter and Promoter Group of the Company, where the Promoter and Promoter Group is a company as on the Board Meeting Date / date of Postal Ballot Notice, i.e., Monday, November 06, 2023 and on the date of the Public Announcement i.e. Monday, December 11, 2023: **Not Applicable**, as all the Promoters and Promoter Group of the Company are individuals.

(iii) Aggregate Shareholding of the directors and key managerial personnel of the Company as on the Board Meeting Date / date of Postal Ballot Notice, i.e., Monday, November 06, 2023 and on the date of the Public Announcement i.e. Monday, December 11, 2023:

S. No.	Name of the Shareholder	Designation	No. of Equity Shares held	% of Shareholding
1.	Alka Mukund Kulkarni	Non-Executive Director	68,95,352	48.26
2.	Suresh Gunwant Fegde	Whole Time Director	35,52,164	24.86
3.	Mukund Narayan Kulkarni	Managing Director	100	Negligible
4.	Jayant Suresh Fegde	Non-Executive Director	100	Negligible
5.	Sunilkumar Satyanarain Dayama	Non-Executive Independent Director	-	-
6.	Sanjay Ramchandra Bhargave	Non-Executive Independent Director	-	-
7.	Pawan Mahajan	Company Secretary & Compliance Officer	-	-
8.	Suresh Jagdale	Chief Financial Officer	-	-
TOTAL			1,04,47,716	73.12

6.13 No Equity Shares of the Company were either purchased or sold (either through the stock exchange or off market transactions) by the Promoter and Promoter Group, directors of the Promoter Company and persons who are in control of the Company, Directors and Key Managerial Personnel of the Company, during a period of six months preceding the date of the Board Meeting Date / date of Postal Ballot Notice, i.e. Monday, November 06, 2023, and from the date of the Board Meeting Date / date of Postal Ballot Notice till the date of the Public Announcement i.e. Monday, December 11, 2023.

6.14 The maximum and minimum price at which purchases and sales referred at point 6.13 above were made along with the relevant dates: **Not Applicable**.

7. INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUY-BACK

7.1. In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, Alka Mukund Kulkarni and Suresh Gunwant Fegde, the Promoters of the Company have expressed their intention to participate in the Buy-back vide their letter(s) dated November 03, 2023 and may tender, based on its entitlement, up to an aggregate maximum of 6,00,000 Equity Shares, as disclosed below, or such lower number of Equity Shares, in accordance with the provisions of the SEBI Buy-back Regulations or permitted under the applicable laws:

S. No.	Name of the Promoter Shareholder	Maximum Number of Equity Shares intended to be offered in the Buy-back
1.	Alka Mukund Kulkarni	4,00,000
2.	Suresh Gunwant Fegde	2,00,000
	TOTAL	6,00,000

7.2. Since the entire shareholding of Alka Mukund Kulkarni and Suresh Gunwant Fegde, who intend to participate in the Buy-back is in dematerialised form, the details of the date and price of acquisition/sale of the Equity Shares by them is set out below:

(i) Alka Mukund Kulkarni

S. No.	Date of Transaction	Nature of Transaction	No. of Shares acquired/(sold)	Face Value (₹)	Transaction Price (₹)	Transaction Value (₹)	Cumulative No. of Shares
a.	March 25, 2014	Preferential Allotment	50,000	10	10	5,00,000	50,000
b.	October 27, 2014	Transfer	(1)	10		10	49,999
c.	June 08, 2015	Acquisition of shares by way of Transfer of shares	8,11,942	10		81,19,420	8,61,941
d.	September 01, 2015	Transfer	(1)	10		10	8,61,940
e.	June 21, 2016	Transfer	(1)	10		10	8,61,939
f.	November 12, 2018	Transfer	(1)	10		10	8,61,938
g.	August 29, 2019	Acquisition of share by way of Transfer of shares	4	10		40	8,61,942
h.	September 19, 2019	Bonus in the ratio of 7:1 i.e., 7 Equity Shares for every 1 Equity Share held	60,33,594	10		-	68,95,536
i.	October 10, 2019	Acquisition of shares by way of Transfer of shares	16	10		160	68,95,552
j.	November 15, 2019	Transfer	(200)	10		2,000	68,95,352

(ii) Suresh Gunwant Fegde

S. No.	Date of Transaction	Nature of Transaction	No. of Shares acquired/(sold)	Face Value (₹)	Transaction Price (₹)	Transaction Value (₹)	Cumulative No. of Shares
a.	August 14, 2006	Subscriber to MOA	3,400	10	10	34,000	3,400
b.	March 29, 2009	Business Takeover	4,40,633	10	10	44,06,330	4,44,033

c.	November 21, 2012	Transfer	(2)	10	10	20	4,44,031
d.	October 10, 2013	Transfer	(2)	10	10	20	4,44,029
e.	June 08, 2015	Acquisition of share by way of Transfer of shares	3	10	10	30	4,44,032
f.	June 23, 2015	Transfer	(1)	10	10	10	4,44,031
g.	April 05, 2016	Transfer	(2)	10	10	20	4,44,029
h.	August 29, 2019	Acquisition of share by way of Transfer of shares	2	10	10	20	4,44,031
i.	September 19, 2019	Bonus in the ratio of 7:1 i.e. 7 Equity Share for every 1 Equity Share held	31,08,217	10	-	-	35,52,248
j.	October 10, 2019	Acquisition of share by way of Transfer of shares	16	10	10	160	35,52,264
k.	November 15, 2019	Transfer	(100)	10	10	1,000	35,52,164

7.3. The Buy-back will not result in any benefit to the promoters, members of the promoter group and persons in control of the Company or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buy-back in their capacity as equity shareholders of the Company and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of equity shares which will lead to reduction in the equity share capital of the company post Buy-back.

7.4. Pursuant to the proposed Buy-back and depending on the response to the Buy-back, the aggregate shareholding and voting rights of the Promoters and Members of the Promoter Group and persons in control of the Company, in the Company, may change from the existing shareholding of the total equity capital and voting rights of the Company. Assuming response to the Buy-back is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoters and Members of the Promoter Group and persons in control of the Company, post Buy-back will increase to 73.50% of the post Buy-back Equity Share capital of the Company. The Promoters and Members of the Promoter Group and persons in control of the Company are already in control over the Company and therefore any further increase in the voting rights of the Promoters and Members of the Promoter Group and persons in control will not result in any change in control of the Company. Please refer to paragraph 14.5 on page no. 25 of this Letter of Offer for further details regarding shareholding (pre and post buy-back) of the Promoter and Members of the Promoter Group and the Public shareholding in the Company.

7.5. The Buy-back would be subject to the condition of maintaining Minimum Public Shareholding requirements as specified in Regulation 38 of SEBI (LODR) Regulations, 2015, as amended. Any change in the Voting Rights of the Promoters of the Company pursuant to completion of Buy-back will not result in any change in control over the Company.

8. AUTHORITY FOR THE BUY-BACK

8.1. This Buy-back is pursuant to Article 25 of the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, and rules framed thereunder, including the Share Capital Rules and the Management Rules, to the extent applicable, SEBI Buy-back Regulations read with SEBI Circulars, and the SEBI Listing Regulations, subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, Chennai, the Stock Exchanges and/or other authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.

8.2. This Buyback has been duly authorised by a resolution of the Board of Directors dated November 06, 2023. Further, the Buyback has been authorised by the Equity Shareholders by a special resolution through postal ballot only, by voting through electronic means (“**remote e-voting**”) in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Management Rules read with the MCA Circulars, on December 07, 2023, the results of which were announced on December 09, 2023.

9. NECESSITY OF THE BUY-BACK

The Buy-back is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term and for returning surplus funds to the shareholders in an effective and efficient manner.

The Buy-back is being undertaken, *inter-alia*, for the following reasons:

- (i) The Buy-back will help the Company to return surplus cash to its shareholders holding Equity Shares, thereby, enhancing the overall return to shareholders;
- (ii) The Buy-back, which is being implemented through the tender offer route as prescribed under the SEBI Buy-back Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for 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(i)(n) of the SEBI Buy-back Regulations;
- (iii) The Buy-back may help in improving its return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- (iv) The Buy-back gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-back Offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy-back Offer, without additional investment.

10. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY

10.1. We believe that the Buy-back is not likely to cause any 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 there is full participation in the Buy-back, the funds deployed by the Company towards the Buy-back (excluding Transaction Costs) would not exceed ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) with a likely reduction in the equity share capital base, the Buy-back will likely improve the return on net worth or return on equity ratio.

10.2. We believe that the Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buy-back is being undertaken, *inter-alia*, for helping the Company to return surplus cash to the Eligible Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to the Equity Shareholders.

10.3. Consequent to the Buy-back and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of the Promoters and Promoter Group of the Company would undergo a change.

10.4. In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, the below Promoters have expressed their intention to participate in the Buy-back vide their letter(s) dated November 03, 2023 and may tender, based on its entitlement, up to an aggregate maximum of 6,00,000 Equity Shares, as disclosed below, or such lower number of Equity Shares, in accordance with the provisions of the SEBI Buy-back Regulations or permitted under the applicable laws:

S. No.	Name of the Promoter Shareholder	Maximum Number of Equity Shares intended to be offered in the Buy-back
1.	Alka Mukund Kulkarni	4,00,000
2.	Suresh Gunwant Fegde	2,00,000
	TOTAL	6,00,000

- 10.5. Assuming the response to the Buy-back is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the aggregate shareholding of the Promoter and Promoter Group, post completion of the Buy-back, may increase from 73.12% to 73.50% and the aggregate shareholding of the public and others, post completion of the Buy-back, may decrease from 26.88% to 26.50%.
- 10.6. Also, if none of the public shareholders participate and only the Promoter and Promoter Group participate to the extent of the Buyback Entitlement, their shareholding may reduce from 73.12% to 71.95% of the total equity share capital of the Company.
- 10.7. The Buy-back will not result in a change in control or otherwise affect the existing management structure of the Company.
- 10.8. As required under Section 68(2)(d) of the Companies Act, 2013 the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid-up equity share capital and free reserves post completion of the Buy-back, even if the response to the Buy-back is to the extent of 100% (full acceptance).
- 10.9. The Buy-back will not result in any benefit to the Directors except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buy-back in their capacity as Equity Shareholders of the Company, and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buy-back.
- 10.10. The Promoters of the Company shall not deal in the Equity Shares of the Company on Stock Exchange or off market, including by way of inter-se transfer(s) of Equity Shares amongst the Promoters during the period from the date of passing the board resolution till the closing of the Buy-back.
- 10.11. In compliance with regulation 24(i)(b) of the SEBI Buy-back Regulations, the Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of closure of the Buy-back Period.
- 10.12. The Company shall not raise further capital for a period of one year from the closure of the Buy-back except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- 10.13. The Company is not undertaking the Buy-back so as to delist its shares from the Stock Exchange.
- 10.14. Salient financial parameters consequent to the Buy-back based on the standalone audited financial statements and consolidated audited financial statements of the Company for the period ended on September 30, 2023 are as under:

Standalone:

Parameters (based on the standalone audited financial statements for the period ended September 30, 2023)	Pre-Buy-back	Post Buy-back*
Networth (₹ in Lakhs) ¹	1,957.02	1,516.44
Return on Networth (%) ²	6.13	6.94
Earnings per Share - Basis (₹) ⁴	0.82	0.85
Earnings per Share –Diluted (₹) ⁴	0.82	0.85
Book Value per Share (₹) ⁵	13.70	11.08
Price / Earnings Ratio (P/E) as per latest audited financial statement ⁷	47.91	45.90
Total Debt / Equity Ratio ⁶	0.08	0.10

*The Post-Buy back numbers are calculated by reducing the net worth by the proposed Buy-back amount (assuming full acceptance).

1) Net Worth = Equity share capital + other equity

2) Return on Net Worth = Net Profit After Tax / Average Net Worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve)

3) Total Debt = Borrowings + Current Maturities of long-term debt

4) Basic and Diluted EPS = Net Profit After Tax attributable to equity shareholders / Weighted average number of Shares outstanding during the year outstanding

- 5) Book Value per Share = Net worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve) / Number of Equity Shares outstanding at year end
- 6) Debt Equity Ratio = Total Debt / Net Worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve)
- 7) Price / Earnings Ratio based on the closing market price as on September 27, 2023 (Being the latest trading day closing price available before September 30, 2023 i.e. ₹39.06/-, on BSE.
- 8) The post Buy-back numbers are calculated by reducing the net worth by the proposed Buy-back amount (assuming full acceptance) without factoring in any impact on the profit & loss account due to reduction in cash.

Consolidated:

Parameters (based on the consolidated audited financial statements for the period ended September 30, 2023)	Pre-Buy-back	Post Buy-back*
Networth (₹ in Lakhs) ¹	2,110.89	1,670.31
Return on Networth (%) ²	7.35	8.24
Earnings per Share - Basis (₹) ⁴	1.05	1.09
Earnings per Share –Diluted (₹) ⁴	1.05	1.09
Book Value per Share (₹) ⁵	14.77	12.20
Price / Earnings Ratio (P/E) as per latest audited financial statement ⁷	37.30	35.73
Total Debt / Equity Ratio ⁶	0.07	0.09

*The Post-Buy back numbers are calculated by reducing the net worth by the proposed Buy-back amount (assuming full acceptance).

- 1) Net Worth = Equity share capital + other equity
- 2) Return on Net Worth = Net Profit After Tax / Average Net Worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve)
- 3) Total Debt = Borrowings + Current Maturities of long-term debt
- 4) Basic and Diluted EPS = Net Profit After Tax attributable to equity shareholders / Weighted average number of Shares outstanding during the year outstanding
- 5) Book Value per Share = Net worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve) / Number of Equity Shares outstanding at year end
- 6) Debt Equity Ratio = Total Debt / Net Worth (excluding revaluation reserves and miscellaneous expenditure to the extent not written off and foreign currency translation reserve)
- 7) Price / Earnings Ratio based on the closing market price as on September 27, 2023 (Being the latest trading day closing price available before September 30, 2023 i.e. ₹39.06/-, on BSE.
- 8) The post Buy-back numbers are calculated by reducing the net worth by the proposed Buy-back amount (assuming full acceptance) without factoring in any impact on the profit & loss account due to reduction in cash.

11. BASIS OF CALCULATING THE BUY-BACK PRICE

11.1. The Equity Shares of the Company are proposed to be bought back at a price of ₹ 60/- (Rupees Sixty only) per Equity Share.

11.2. The Basis of arriving at Buy-back Offer Price represents:

The Buy-back Price has been arrived at after considering various factors including, but not limited to (i) the share price benchmarks on the BSE, the only stock exchange where the volume of trading in the Equity Shares of the Company is recorded, (ii) the net worth of the Company, and (iii) Earnings Per Equity Share (iv) the closing market price of the Equity Shares on the Stock Exchange where the Equity Shares are listed as on the date of intimation of the Board Meeting for considering Buy-back (v) Book Value (vi) the closing market price of the Equity Shares on the Stock Exchange where the Equity Shares are listed as on the date of the Board Meeting for considering Buy-back.

The Buy-back Price represents:

- premium of 36.46% to the volume weighted average market price of the Equity Share on BSE, during the three months preceding Saturday, October 28, 2023, being the date of intimation to the Stock Exchange of the date of the Board Meeting to consider the proposal of the Buy-back ("**Intimation Date**");
- premium of 51.90% over the closing market price of the Equity Shares on BSE, as on Wednesday, October 18, 2023, being a day on which the equity shares were quoted on BSE, preceding the Intimation Date;
- premium of 50.63% over the volume weighted average market price of the Equity Shares on BSE, for two weeks preceding the Intimation Date;

- (iv) premium of 42.86% over the closing market price of the Equity Shares on BSE, as on Friday, November 03, 2023, being a day on which the equity shares were quoted on BSE, preceding the date of Board Meeting;
- (v) Premium of 38.34% over the closing price of the Equity Shares on BSE, as on the date of Board Meeting i.e., November 06, 2023

11.3. For trends in the market price of the Equity Shares, please refer to “*Stock Market Data*” on page 31 of this Letter of Offer. For details of salient financial parameters, both pre-Buy-back and post-Buy-back, based on the latest standalone audited financial statements and consolidated audited financial statements of the Company as on September 30, 2023 please refer to “*Management Discussion and Analysis and the likely impact of Buy-back on the Company*” on page 21 of this Letter of Offer.

12. SOURCES OF FUNDS FOR THE BUY-BACK

12.1. Assuming full acceptance, the funds that would be utilised by the Company for the purpose of the Buy-back of up to 6,00,000 (Six Lakh) Equity Shares at a price of ₹ 60/- (Rupees Sixty only) per Equity Share aggregating maximum amount of ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) excluding the Transaction Costs which represents 18.40% and 17.05% of the aggregate of the Company’s paid-up capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the Half year ended as on September 30, 2023 (i.e., the latest audited financial statements available as on the date of Board Meeting recommending the proposal of the Buy-back) respectively, which is within the prescribed limit of 25% of the aggregate of the total paid-up capital and free reserves of the Company based on the audited financial statements of the Company as of September 30, 2023, as per Regulation 4 (i) of the SEBI Buy-back Regulations.

12.2. The funds for the implementation of the Buy-back (including the transaction costs) will be sourced out of free reserves of the Company and/or such other source as may be permitted by the Buy-back Regulations or the Companies Act.

12.3. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares so bought back to the Capital Redemption Reserve Account, and details of such transfer shall be disclosed in its subsequent audited standalone and consolidated financial statements of the Company.

12.4. The funds borrowed, if any, from banks and financial institutions will not be used for the Buy-back.

13. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

13.1. In accordance with Regulation 9(xi) of the Buy-back Regulations, the Company has appointed the Escrow Agent, namely, ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, 390 007, Gujarat, India and acting through its branch situated at ICICI Bank Limited, Capital Markets Division, 5th Floor, HT Parekh Marg, Churchgate, Mumbai - 400020. The Company, the Manager to the Buy-back and the Escrow Agent have entered into an Escrow Agreement dated December 11, 2023, pursuant to which the Escrow Account in the name and style “SM AUTO STAMPING LIMITED BUYBACK ESCROW ACCOUNT” bearing account number 000405152661 has been opened with the Escrow Agent.

13.2. In accordance with Regulation 9(xi) of the SEBI Buy-Back Regulations, the Company deposited a sum of ₹ 92,00,000/- (Rupees Ninety Two Lakh only) in cash in the Escrow Account, being more than 25% of the total consideration payable up under the Buy-back Offer. In accordance with the SEBI Buy-Back Regulations, the Manager to the Buy-back is empowered to operate the Escrow Account in accordance with the terms of the Escrow Agreement and the SEBI Buy-Back Regulations.

13.3. The Company has the sufficient assets and resources to meet all the full obligations for the Buy-back Offer and the same has been certified by Atul D. Deshpande (Membership Number: 118218), Partner at Prakash G. Pathak & Company, Chartered Accountants (Firm Registration Number: 126975W), having office at Atharva, 32, Shramik Soc. Opp Swami Samarth Temple, Near Aakashwani, Gangapur Road, Nashik- 422013; Email: audit@pgpco.in vide certificate dated November 06, 2023, bearing Unique Document Identification Number (UDIN): 23118218BGSZTI7696.

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

13.5. In accordance with Regulation 10 of the SEBI Buy-back Regulations, the Company shall immediately after the closure of the Tendering Period deposit the amount of consideration payable to Eligible Shareholders in a Special Escrow Account with the Escrow Agent. Such consideration would be the aggregate of 90% of the amount lying in the Escrow Account and the balance amount payable to the Eligible Shareholders and will constitute the entire sum due and payable as consideration for the Buy-back in terms of the SEBI Buy-back Regulations.

14. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

14.1. The present capital structure of the Company as on the date of Letter of Offer is as follows:

(₹ in Lakhs)

Particulars	Pre-Buy-back
Authorised Share Capital	
- 1,65,00,000 Ordinary Equity Shares of Rs. 10/- each	1,650.00
Issued, Subscribed and Paid-up Share Capital	
- 1,42,87,832 Ordinary Equity Shares of Rs. 10/- each	1,428.78

14.2. Assuming response to the Buy-back is to the extent of 100% (full acceptance), the paid-up Equity Share Capital of the Company Post-Buy-back would be as follows:

(₹ in Lakhs)

Particulars	Post-Buy-back*
Authorised Share Capital	
- 1,65,00,000 Ordinary Equity Shares of Rs. 10/- each	1,650.00
Issued, Subscribed and Paid-up Share Capital	
- 1,36,87,832 Ordinary Equity Shares of Rs. 10/- each	1,368.78

*Assuming 100% i.e. full acceptance of Equity Shares in the Buy-back. However, the post-Buy-back issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

14.3. The Company has not undertaken any Buy-back in the last 3 (three) years from the date of this Letter of Offer.

14.4. The Company confirms that:

- All the equity shares for Buy-back are fully paid-up and there are no partly paid-up shares or calls-in arrears;
- There are no outstanding preference shares or convertible securities;
- it shall not issue, including through a bonus issue, Equity Shares or any other specified securities, until the expiry of Buy-back Period in accordance with Regulation 24(i)(b) of the SEBI Buy-back Regulations; and
- There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act.
- It shall not Buy-back locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable.
- It is in compliance with Section 68(2)(f) of the Companies Act and Regulation 4(vii) of the Buy-back Regulations.

14.5. The shareholding pattern of the Company before the Buy-back (as on the Record Date, i.e., Friday, December 22, 2023) and after the Buy-back, is provided below:

Category of Shareholder	Pre Buy-back		Post Buy-back*	
	No. of Equity Shares	% to the existing Equity Share capital	No. of Equity Shares	% to the post Buy-back Equity Share capital
Shareholding of Promoters ("Persons in Control of the Company")	1,04,47,832	73.12	1,00,61,127	73.50
Foreign Investors (including Non-Resident Indians / FIIs/	8,000	0.06	36,26,705	26.50

Foreign Nationals/ Foreign Corporate Bodies)				
Financial Institutions /Banks & Mutual Funds/ Insurance Co.	-	-		
Others (Individuals, Bodies Corporate, Employees, etc.)	38,32,000	26.82		
Total	1,42,87,832	100.00	1,36,87,832	100.00

* Assuming the full acceptance of 6,00,000 Equity Shares in the Buy-back in accordance with the Buy-back Entitlement for all Eligible Shareholders. However, the Post Buy-back shareholding pattern may differ depending upon the actual number of Equity Shares bought back.

Please refer to paragraph 10.5 and paragraph 10.6 of this Letter of Offer for details regarding shareholding (pre and post Buy-back) of the Promoters in the Company.

15. BRIEF INFORMATION OF THE COMPANY

15.1. History of the Company

Two of our Promoters, Mr. Mukund Kulkarni and Mr. Suresh Fegde promoted a partnership firm, M/s Spam Fab Technocrats in 1995 for engaging in job work of sheet metal components. Later, another partnership firm in the name of M/s SM Industries was also formed by the same promoters in 1998 to carry on the manufacturing and job work of press parts. Subsequently, our Company in the name of SM Auto Stamping Private Limited was incorporated vide its certificate of incorporation dated August 14, 2006 obtained from Registrar of Companies, Mumbai, Maharashtra. Further, it took over both the partnership firms in 2007. SM Auto Stamping Private Limited was converted into a public limited company and renamed as SM Auto Stamping Limited w.e.f. December 19, 2019.

15.1.1 At present, the Registered Office of the Company is situated at J-41, MIDC Ambad, Nashik-422010, Maharashtra, India and the Corporate Office of the Company is situated at C-13, MIDC Ambad, Nashik-422010, Maharashtra. The Equity Shares are listed on the SME Platform of BSE Limited. The ISIN of the Equity Shares is INE098F01031.

15.1.2 Company has not made any Buy-back of its Equity Shares in last three years.

15.2. Business Overview

15.2.1 The Company is primarily engaged in the business of auto-component manufacturers catering to the sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers.

15.2.2 Company is in the business of designing and manufacturing of sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers sheet metal pressed components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Company's products such as deep drawn components and control panel components also find application in electrical equipments industry. We have an in-house R&D set up for different processes involved in the manufacturing of products, we have a high precision Tool Room at our Plants at Ambad MIDC, Nashik where activities related to designing and development of various products are undertaken.

15.2.3 Company has three manufacturing units, which are located at Nashik, Maharashtra.

15.2.4 For the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company reported total income (including other income) of ₹ 7,015.10 lakhs, ₹ 5,538.91 lakhs and ₹ 3,960.73 lakhs respectively. Further, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company reported profit after tax of ₹ 308.69 lakhs, ₹ 363.86 lakhs and ₹ (170.11) lakhs respectively. For further details on financial information about the Company for the financial years 2023, 2022, 2021, see section "Financial information about the Company" on page 29 of this Letter of Offer.)

15.3. Details of changes in Management

There has been no change in management of the Company.

15.4.Consolidation and Restructuring

There have been no instances of mergers/amalgamations or corporate restructuring in the Company in the last 3 years.

15.5.The following table sets forth the history of the equity share capital of the Company since incorporation:

Date of the allotment/ Period	No. of Equity allotted	Cumulative no. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of consideration- Cash/Other than Cash	Nature of Transaction	Cumulative paid-up Equity Capital (₹ in Lakhs)
Upon Incorporation August 14, 2006	10,000	10,000	10	10	Cash	Subscription to MOA	1.00
March 29, 2009	9,77,488	9,87,488	10	10	Other than Cash	Business Takeover	98.75
March 25, 2014	3,18,491	13,05,979	10	10	Other than Cash	Preferential Allotment	130.60
September 19, 2019	91,41,853	1,04,47,832	10	Nil	Other than Cash	Bonus Issue in the ratio of 7:1	1,044.78
March 12, 2020	38,40,000	1,42,87,832	10	18	Cash	Initial Public Offer	1,428.78

15.6.The following table sets forth details regarding the Board of the Directors as on the date of this Letter of Offer i.e. Wednesday, December 27, 2023 are as follows:

Sr. No.	Name of the Director/Age/DIN/ Address/Occupation	Date of Appointment	Other Directorships*
1	<p>Name: Mukund Narayan Kulkarni Designation: Chairman and Managing Director DOB: 08-Aug-1959 DIN: 00248797 Address: Alkund Banglow, Krishna Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik- 422101, Maharashtra, India. Qualification: Diploma in Mechanical Engineering Occupation: Business</p>	15-Nov-2019	<p>1. SM Autovision Private Limited 2. BBN Global Association 3. GKB Biopharma Equipments Private Limited</p>
2	<p>Name: Suresh Gunwant Fegde Designation: Wholetime Director DOB: 01-May-1957 DIN: 00248850 Address: Plot No. 9, Jay Ambe Colony, Shivaji Nagar, Jail Road, Nashik Road, Nashik- 422101, Maharashtra, India. Qualification: Industrial Training from Industrial Training Institute, Nashik Occupation: Business</p>	14-Aug-2006	GKB Biopharma Equipments Private Limited

Sr. No.	Name of the Director/Age/DIN/ Address/Occupation	Date of Appointment	Other Directorships*
3	Name: Alka Mukund Kulkarni Designation: Non-Executive Director DOB: 31-Oct-1961 DIN: 06896902 Address: Alkund Banglow, Krishna Colony, Shivaji Nagar, Jail Raod, Chumble Floor Mill, Nashik Road, Nashik-422101, Maharashtra, India Qualification: Master of Commerce Occupation: Business	13-Jun-2014	SM Autovision Private Limited
4	Name: Jayant Suresh Fegde Designation: Non-Executive Director DOB: 10-May-1985 DIN: 07193063 Address: 09, Jay Ambe Colony, Behind Ashoka Park, Shivaji Nagar, Jail Road, Nashik Road, Nashik-42210, Maharashtra, India. Qualification: Post Graduation in Tool Designing Occupation: Business	22-Jul-2020	SM Autovision Private Limited
5	Name: Sunilkumar Satyanarain Dayama Designation: Independent Director DOB: 03-Dec-1955 DIN: 08492339 Address: Satyavilla, Near Nirmala School, 12, Pramod Nagar, Sawarkar Nagar, Gangapur Road, Nashik-422013, Maharashtra, India Qualification: Master of Management Occupation: Service	10-Dec-2019	NA
6	Name: Sanjay Ramchandra Bhargave Designation: Non-Executive Independent Director DOB: 13-June-1956 DIN: 02235602 Address: 303, Laxmi Kavach, Modern Colony, Paud Road, Kothrud, Pune-411038, Maharashtra, India Qualification: B. Com; Cost and Management Accountant; Diploma in Taxation Law and Ph. D. Occupation: Practicing Cost Accountant	09-Mar-2023	1. Genious Management Consultancy and Services Private Limited 2. Genious Tax Management Private Limited 3. Evoluon Technologies Private Limited

*As per details available on website www.mca.gov.in

15.7. The changes in our Board during the three years immediately preceding the date of this Letter of Offer i.e. Wednesday, December 27, 2023 are as follows:

S. No	Name of the Director	Appointment/ Cessation	Effective Date	Reasons
1.	Vinayak Mahadeo Govilkar	Cessation	15-Mar-2023	Resigned from the post of Independent Director (Due to

				Personal Reasons)
2.	Sanjay Ramchandra Bhargave	Appointment	09-Mar-2023	Appointed as an Additional Non-Executive Independent Director (To fill the casual vacancy)
3.	Vinayak Mahadeo Govilkar	Appointment	16-Mar-2022	Appointed as an Additional Non-Executive Independent Director
4.	Prakash Pathak	Cessation	28-Dec-2021	Resigned from the post of Independent Director (Due to Personal Reasons)

Note: Except as mentioned above, there were no changes in our Board during the last three years immediately preceding the date of this Letter of Offer.

The Buy-back will not result in any benefit to any directors & Key Managerial Personnel, Promoters and persons in control of the Company except to the extent of their participation in the Buy-back, as applicable, and the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buy-back.

16. FINANCIAL INFORMATION ABOUT THE COMPANY

16.1 The salient features of the financial information of the Company as extracted from the audited standalone and consolidated financial statements of the Company for the period ended September 30, 2023 and last 3 (three) financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are set out below:

Standalone:

(₹ in Lakhs)

Particulars	Period	Financial Year ended		
	April 1, 2023 to September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	3,685.44	7,015.10	5,538.91	3,960.73
Total Expenses (excluding finance costs, depreciation and amortisation expenses)	3,385.87	6,327.3	4,972.41	3,802.30
Finance Costs	63.70	126.5	131.87	154.81
Depreciation and Amortization Expenses	67.27	121.39	115.09	114.30
Profit before tax	168.60	444.82	319.54	(63.09)
Provision for tax (including Deferred Tax)	52.12	136.13	(44.32)	107.01
Profit /(Loss) after tax	116.48	308.69	363.86	(170.11)
Equity share capital	1,428.78	1,428.78	1,428.78	1,428.78
Reserves & Surplus	528.24	411.76	281.66	(82.20)
Networth	1,957.02	1,840.54	1,710.44	1,346.58
Total debt	153.36	247.2	483.45	649.86

Consolidated:

(₹ in Lakhs)

Particulars	Period	Financial Year ended		
	April 1, 2023 to September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	3,685.44	7,015.10	5,538.91	3,960.73

Total Expenses (excluding finance costs, depreciation and amortisation expenses)	3,385.87	6,327.3	4,972.41	3,802.30
Finance Costs	63.70	126.5	131.87	154.81
Depreciation and Amortization Expenses	67.27	121.39	115.09	114.30
Profit before tax	168.60	444.82	319.54	(63.09)
Provision for tax (including Deferred Tax)	52.12	136.13	(44.32)	107.01
Share in Profit of associate	33.16	22.96	15.20	4.92
Profit /(Loss) after tax	149.64	331.66	379.06	(165.18)
Equity share capital	1,428.78	1,428.78	1,428.78	1,428.78
Reserves & Surplus	682.11	532.47	379.41	0.34
Networth	2,110.89	1,961.25	1,808.19	1,429.12
Total debt	153.36	247.20	483.45	649.86

Key financial ratios are as under:

Standalone

Key Ratios	Period	Financial Year ended		
	April 1, 2023 to September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
No. of shares (as at end of the period)	1,42,87,832	1,42,87,832	1,42,87,832	1,42,87,832
Book value (₹)	13.70	12.88	11.97	9.42
Return on Net Worth excluding revaluation reserves and capital reserves (%)	5.95	16.77	21.27	(12.63)
Earnings Per Share (₹)	0.82	2.16	2.55	(1.19)
Debt / Equity Ratio	0.08	0.13	0.28	0.48

Consolidated

Key Ratios	Period	Financial Year ended		
	April 1, 2023 to September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
No. of shares (as at end of the period)	1,42,87,832	1,42,87,832	1,42,87,832	1,42,87,832
Book value (₹)	14.77	13.73	12.65	10.00
Return on Net Worth excluding revaluation reserves and capital reserves (%)	7.09%	16.91%	20.96%	11.56%
Earnings Per Share (₹)	1.05	2.32	2.65	(1.16)
Debt / Equity Ratio	0.07	0.13	0.27	0.45

The key ratios have been computed as below:

Key Ratios	Basis
Earnings per Share – Basic (₹)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (₹)	(Paid up Equity Share Capital + Reserve & Surplus) / No of Equity Shares at the end of the year

Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / (Paid up Equity Share Capital + Reserve & Surplus)
Debt-Equity Ratio	Total Debt / (Paid up Equity Share Capital + Reserve & Surplus)

16.2 The Company hereby declares that it will comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, if it becomes applicable, in connection with the Buy-back.

16.3 The Company hereby also declares that it has complied with and will comply with Sections 68, 69 and 70 of the Companies Act, and all other provisions of the Companies Act, as may be applicable to the Buy-back.

17. STOCK MARKET DATA

17.1 The Equity Shares are currently listed and traded only on the SME Platform of BSE Limited (“BSE”) (Scrip Code: 543065; Security ID: SMAUTO). The International Securities Identification Number (“ISIN”) of Equity Shares of the Company is INE0C4I01011.

17.2 The high, low and average market prices in preceding three financial years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement i.e., December 11, 2023 and the corresponding volumes on BSE are as follows:

Period	High			Low			Average Price#	Total Volume traded in the period
	High* (₹)	Date of High	No. of Shares traded on that date	Low* (₹)	Date of Low	No. of Shares traded on that date		
PRECEDING THREE FINANCIAL YEARS (F.Y.)								
FY 2022-23	47.45	17-Oct-2022	3,12,000	15.30	28-Jun-2022	8,000	36.66	8,76,000
FY 2021-22	18.60	16-Nov-2021	8,000	14.00	28-Mar-2022	8,000	16.97	2,64,000
FY 2020-21	18.00	03-Apr-2020, 07-Apr-2020 & 04-Mar-2021,	32,000	12.10	26-Aug-2020 & 21-Sep-2020	64,000	15.26	3,20,000
PRECEDING SIX MONTHS								
November 2023	49.35	16-Nov-2023	12,000	40.00	02-Nov-2023	8,000	45.64	5,12,000
October 2023	40.00	31-Oct-2023	4,000	39.5	18-Oct-2023	12,000	39.75	16,000
September 2023	44.99	08-Sep-2023	4,000	39.06	27-Sep-2023	8,000	42.20	40,000
August 2023	48.79	08-Aug-2023	12,000	42.00	16-Aug-2023	1,24,000	44.43	3,40,000
July 2023	44.75	24-Jul-2023	12,000	39.98	04-Jul-2023	4,000	43.04	24,000
June 2023	42.49	19-Jun-2023	8,000	42.49	19-Jun-2023	8,000	42.49	8,000

(Source: www.bseindia.com)

*Based on closing price

#Arithmetic average of Closing prices of all trading days during the said period

17.3 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE on October 28, 2023. The Board, at its meeting held on November 06, 2023, approved the proposal for the Buyback at a price of ₹ 60 (Rupees Sixty only) per Equity Share and the intimation was sent to

BSE on the same day. The closing market price of the Equity Shares on BSE, during this period, are summarised below:

Particulars	Date	Stock Price on BSE (₹)
Being one trading day before the date on which the intimation was given to Stock Exchange for board meeting in which the Buy-back proposal was to be approved	October 27, 2023	-
Notice of the board meeting convened to consider the proposal of the Buy-back was given to the stock exchange	October 28, 2023	-
Being one trading day post the date on which the intimation was given to Stock Exchange for board meeting in which the Buy-back proposal was to be approved	October 30, 2023	-
One trading day prior to the Board Meeting Date	November 03, 2023	42.00
Board Meeting Date	November 06, 2023	43.37
Trading day immediately after date of Board Approval and date of publication of Public Announcement	November 07, 2023	45.42
Date of declaration of results of the postal ballot for special resolution by the Equity Shareholders approving the Buyback	December 09, 2023	-
Date of the Public Announcement	December 11, 2023	47.00
Date of publication of the Public Announcement	December 12, 2023	49.35
The trading day immediately following the publication of the Public Announcement	December 13, 2023	49.75

(Source: www.bseindia.com)

18. DETAILS OF THE STATUTORY APPROVALS

18.1 The Board at its meeting held on Monday, November 06, 2023 approved the proposal for the Buy-back. Further, the Buyback has been authorised by the Equity Shareholders by a special resolution through postal ballot on December 07, 2023, the results of which were announced on December 09, 2023.

18.2 The Buy-back will be subject to such necessary approvals as may be required under the applicable laws including from the SEBI and/ or the BSE, and the Buy-back from Non-Resident Shareholders, erstwhile overseas corporate bodies and other applicable categories will be subject to such approvals of the Reserve Bank of India, if any, under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.

18.3 The Buy-back from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buy-back. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buy-back. The Buy-back of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities, including RBI under FEMA, as applicable. It is the obligation of such Non-Resident Shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender Equity Shares in the Buy-back and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment in respect of the Equity Shareholders for whom no prior approval from the RBI approval is required and not accept Equity Shares from the Equity Shareholders in respect of whom prior approval from the RBI is required and in the event copies of such approvals are not submitted.

18.4 By participating in the Buy-back, each Eligible Shareholder (including the Non-Resident Shareholder) undertakes to complete all relevant regulatory/statutory filings and compliances to be made by it under applicable law, including filing of Form FC-TRS. Further, by agreeing to participate in the Buy-back,

each Eligible Shareholder hereby: (a) authorises the Company to take all necessary action, solely to the extent required, and if necessary, to be undertaken by the Company, for making any regulatory/statutory filings and compliances on behalf of each shareholder; and (b) undertakes to provide the requisite assistance to the Company for making any such regulatory/statutory filings and compliances.

18.5 There are no directions subsisting or proceedings pending against the Company, Manager and Registrar to the Buy-Back Offer under SEBI Act, 1992:

18.6 As of date of this Letter of Offer, there are no statutory or regulatory approvals required to implement the Buy-back, other than as indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buy-back will be subject to such statutory or regulatory approval(s) and the Company shall obtain such statutory approvals as may be required, from time to time, if any. In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buy-back, if any, shall be intimated to the Stock Exchanges.

18.7 As on the date this Public Announcement i.e., December 11, 2023, the Company has obtained certain financing arrangements / borrowings with banks, financial institutions and other entities ("Lenders"). In accordance with Regulation 5(i)(c) and Schedule I clause (xii) of the SEBI Buy-back Regulations, the Company has obtained such approvals as may be required from the lenders pursuant to the provisions of such facilities.

19. DETAILS OF REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRES

Eligible Shareholders are required to send Tender Form along with the other requisite document(s), as mentioned in "Procedure for Tender Offer and Settlement" on page 37 of this Letter of Offer along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buy-back, so that the same are received not later than the Buy-back Closing Date i.e. Thursday, January 04, 2024 by IST 5:00 p.m. The envelope should be super scribed as "SM Auto Stamping Limited Buy-back Offer 2023". The Company has appointed Bigshare Services Private Limited as the Registrar to the Buy-back their contact details are set forth below:



Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri East, Mumbai-400093, Maharashtra, India.

Tel No.: + 91 22 6263 8200 **Fax:** +91 22 6263 8299

Contact Person: Maruti Eate

E-mail ID: buybackoffer@bigshareonline.com; Website: www.bigshareonline.com

Investor Grievance E-mail ID: investor@bigshareonline.com

SEBI Registration No.: INR000001385

Validity Period: Permanent

CIN: U99999MH1994PTC076534

20. PROCESS AND METHODOLOGY FOR THE BUY-BACK

20.1 The Company proposes to Buy-back up to 6,00,000 (Six Lakh) Equity Shares, representing 4.20% of the issued, subscribed and paid-up Equity Shares, from the Eligible Shareholders as on the Record Date, on a proportionate basis, through the 'Tender Offer' process, at a price of ₹ 60/- (Rupees Sixty only) per Equity Share, payable in cash, for an aggregate amount not exceeding ₹ 3,60,00,000/- (Rupees Three Crore Sixty Lakh only) excluding the Transaction Costs, representing 18.40% and 17.05% of the aggregate of the Company's fully paid-up equity share capital, share premium account and free reserves as per the standalone audited financial statements and consolidated audited financial statements of the Company as on September 30, 2023, respectively, (the latest audited financial statements available as on the date of the Board Meeting, recommending the proposal of the Buy-back).

20.2 The Buy-back is in accordance with Article 25 of the Articles of Association of the Company and Sections 68, 69, 70, and any other applicable provisions, if any, of the Companies Act, and rules framed

thereunder, including the Share Capital Rules and the Management Rules, to the extent applicable, SEBI Buy-back Regulations read with SEBI Circulars, and the SEBI (LODR) Regulations, subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by SEBI, Registrar of Companies, Mumbai, BSE and/or other authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.

20.3 The aggregate shareholding of the Promoters as on the date of the Public Announcement and the date of this Letter of Offer is 1,04,47,832 Equity Shares, which represents 73.12% of the existing equity share capital of the Company. In terms of the SEBI Buy-back Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have an option to participate in the Buy-back. In this regard, Alka Mukund Kulkarni and Suresh Gunwant Fegde, the Promoters of the Company have expressed their intention to participate in the Buy-back vide their letter(s) dated November 03, 2023 and may tender, based on its entitlement, up to an aggregate maximum of 6,00,000 Equity Shares, as disclosed below, or such lower number of Equity Shares, in accordance with the provisions of the SEBI Buy-back Regulations or permitted under the applicable laws:

S. No.	Name of the Promoter Shareholder	Maximum Number of Equity Shares intended to be offered in the Buy-back
1.	Alka Mukund Kulkarni	4,00,000
2.	Suresh Gunwant Fegde	2,00,000
	TOTAL	6,00,000

20.4 Assuming the response to the Buy-back is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their Buy-back Entitlement, the aggregate shareholding of the Promoter and Promoter Group, post completion of the Buy-back, may increase from 73.12% to 73.50% and the aggregate shareholding of the public and others, post completion of the Buy-back, may decrease from 26.88% to 26.50%.

20.5 Also, if none of the public shareholders participate and only the Promoter and Promoter Group participate to the extent of the Buyback Entitlement, their shareholding may reduce from 73.12% to 71.95% of the total equity share capital of the Company.

20.6 The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buy-back and, accordingly, Eligible Shareholders may take their own decision after consulting their own advisors, as they may deem fit, regarding their participation in the Buy-back.

20.7 Record Date and Ratio of Buy-back and Buy-back Entitlement:

- a) As required under the SEBI Buy-back Regulations, the Company has fixed Friday, December 22, 2023 as the Record Date for the purpose of determining the entitlement and the names of the shareholders of the Equity Shares, who are eligible to participate in the Buy-back.
- b) The Equity Shares to be bought back as part of the Buy-back is divided in to two categories:
 - i. Reserved Category for Small Shareholders; and
 - ii. General Category for all other Eligible Shareholders
- c) 'Small Shareholder' has been defined under Regulation 2(i)(n) of the SEBI Buy-back Regulations and in relation to the Buy-back means an Eligible Shareholder who holds Equity Shares of market value of not more than ₹2,00,000/- (Rupees Two lakhs only), on the basis of closing price on BSE, on the Record Date. The closing price on BSE on the Record Date was ₹ 49.95/- and hence all Eligible Shareholders holding not more than 4000 Equity Shares as on the Record Date are classified as 'Small Shareholders' for the purpose of the Buy-back.
- d) Based on the above definition, there are 128 Small Shareholders with aggregate shareholding of 5,12,000 Equity Shares (as on the Record Date), which constitutes 3.58% of the total paid-up Equity Share capital of the Company and 85.53% of 6,00,000 Equity Shares which are proposed to be bought back as part of this Buy-back.
- e) In accordance with Regulation 6 of the SEBI Buy-back Regulations, the reservation for the Small Shareholders (**Reserved Category**), will be 90,112 Equity Shares, which is more than the higher of:
 - i. 15% (Fifteen) of the maximum number of Equity Shares which the Company proposes to Buy-

- back, which works out to 90,000 (Ninety Thousand) Equity Shares; or
- ii. the number of Equity Shares as per their entitlement as on the Record Date (i.e., $5,12,000 / 1,42,87,516 \times 6,00,000$, which works out to 21,502 (Twenty One Thousand Five Hundred and Two) Equity Shares.

All the outstanding Equity Shares excluding shares held by nonparticipating Promoter and Promoter Group have been used for computing the Entitlement of Small Shareholders as some of members of the Promoter and Promoter do not intend to participate in the Buy-back.

- f) Based on the above and in accordance with Regulation 6 of the SEBI Buy-back Regulations, 90,112 (Ninety Thousand One Hundred and Twelve) Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of 5,09,888 (Five Lakh Nine Thousand Eight Hundred and Eighty Eight) Equity Shares.

- g) Based on the aforementioned, the entitlement ratio of Buy-back for both categories is set forth below:

Category of Shareholders	Ratio of Buy-back
Reserved category for Small Shareholders	1 Equity share out of every 6 fully paid-up Equity shares held on the Record date
General category for all other Eligible Shareholders	1 Equity share out of every 27 fully paid-up Equity shares held on the Record date

**The above Ratio of Buy-back is approximate and providing indicative Buy-back Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buy-back may provide a slightly different number due to rounding-off. The actual Buy-back Entitlement for Reserved Category for Small Shareholders is 17.60% and General Category for all other Eligible Sellers is 3.7014076278522%. Also, the numbers arrived at using the actual Buy-back Entitlement may not conform exactly to the Buy-back Entitlement printed in the Tender Form due to rounding-off of the factor.*

20.8 Illustration of Entitlement Ratio

- a) For Small Shareholders - Eligible Shareholder holding 1 Equity Shares will receive an entitlement of 6 Equity Shares (17.6% of 6 Equity shares held on Record Date). The Company will accept 100% Equity Shares who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less. Additional equity shares will be accepted based on proportionate basis as described in this Letter of Offer.
- b) For General Shareholders - Eligible Shareholder holding 1 Equity Shares will receive an entitlement of 27 Equity shares (3.7014076278522% of 27 Equity shares held on Record Date). The Company will accept 100% Equity Shares who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less. Additional equity shares will be accepted based on proportionate basis as described in this Letter of Offer.

20.9 Fractional Entitlements

If the Buy-back Entitlement under Buy-back, after applying the above-mentioned ratios to the Equity Shares held on the Record Date, is not a round number (i.e., not in the multiple of 1 (one) Equity Share), then the fractional Entitlement shall be ignored for computation of the Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 5 or less Equity Shares as on the Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buy-back and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered additional Equity Shares. The Company shall make its best efforts, subject to the SEBI Buy-back Regulations in accepting Equity Shares tendered by such Eligible Shareholders to the extent possible and permissible.

20.10 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category:

In accordance with the Letter of Offer, the Acceptance in the Buy-back from the Reserved Category will be implemented in the following order of priority:

- a) Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buy-back Entitlement, or the number of Shares

- tendered by them whichever is less.
- b) Post the acceptance as described above, in case there are any Equity Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered additional Equity Shares as part of the Buy-back, shall be given preference and one share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
 - c) Post-acceptance as described above, in case there are any validly tendered unaccepted Equity Shares in the Reserved Category and any Equity Shares left to be bought back in the Reserved Category, the additional Equity Shares tendered by the Small Shareholders over and above their Buy-back Entitlement, shall be accepted in proportion of the additional Equity Shares tendered by them and the Acceptances shall be made in accordance with the SEBI Buy-back Regulations (valid Acceptance per Small Shareholder shall be equal to the additional Equity Shares validly tendered by them divided by the total additional Equity Shares validly tendered by the Small Shareholders and multiplied by the total number of Equity Shares remaining to be bought back in Reserved Category). For the purpose of this calculation, the additional Equity Shares taken into account for the Small Shareholders, from whom one Equity Share has been Accepted in accordance with above, shall be reduced by one.
 - d) The procedure of adjustment for fractional results in case of proportionate Acceptance, as described above, is set forth below:
 - i. For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

20.11 Basis of Acceptance of Shares validly tendered in the General Category for Other Shareholders:

In accordance with the Letter of Offer, the Acceptance in the Buy-back from the General Category will be implemented in the following order of priority:

- a) Full acceptance in the General Category from the Eligible Shareholders who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b) Post-acceptance as described above, in case there are any validly unaccepted Equity Shares in the General Category and the Equity Shares left to be bought back in the General Category, the additional Equity Shares tendered by the Eligible Shareholders under the General Category over and above their Buy-back Entitlement shall be accepted in proportion of the additional Equity Shares tendered by them and the acceptances shall be made in accordance with the SEBI Buy-back Regulations (valid acceptance per such Eligible Shareholder shall be equal to the additional Equity Shares validly tendered by them divided by the total additional Equity Shares validly tendered in the General Category and multiplied by the total number of Equity Shares remaining to be bought back in General Category).
- c) Adjustment for fractional results in case of proportionate acceptance as described above is set forth below:
 - i. For any Eligible Shareholder, if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (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;
 - ii. For any Eligible Shareholder if the number of additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

20.12 The market lot for trading of Equity Shares is 4000 Shares and in multiples of 4000 Shares. Post acceptance of the shares under the Buy-back, the shareholders may be left with the odd lots of shares. The same will be subject to the prevailing regulations.

20.13 Basis of Acceptance of Equity Shares between Categories:

- a) In case there are any Equity Shares left to be bought back in one category (**“Partially Filled Category”**) after Acceptance in accordance with the above described methodology for both the categories, and there

are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be Accepted proportionately (valid Acceptances per Eligible Shareholder shall be equal to the additional outstanding Equity Shares validly tendered by a Eligible Shareholder in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially Filled Category).

- b) If the Partially Filled Category is the General Category, and the second category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been accepted in accordance with “Basis of Acceptance of Equity Shares validly tendered in the Reserved Category” will be reduced by one Equity Share.
- c) Adjustment for fraction results in case of proportionate Acceptance, as described above is set forth below:
 - i. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (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.
 - ii. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

20.14 For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- a) Equity Shares Accepted under the Buy-back from each Eligible Shareholder shall be lower of the following:
 - i. the number of Equity Shares tendered by the respective Eligible Shareholder; and
 - ii. the number of Equity Shares held by respective Eligible Shareholder, as on the Record Date;
- b) Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of acceptance.
- c) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, 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 Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in this Letter of Offer.

20.15 Clubbing of Entitlement

In accordance with Regulation 9(ix) of the SEBI Buy-back Regulations, in order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Reserved Category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Reserved Category or General Category) and entitlement under the Buy-back. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical, the Company will club together the Equity Shares held in such cases. Similarly, in case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the Equity Shares held in such cases where the sequence of name of joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories.

21. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

A. GENERAL

- 21.1 The Buy-back is open to all Eligible Shareholders holding either Physical Shares or Demat Shares as on the record date, i.e. Friday, December 22, 2023.
- 21.2 The Company proposes to implement the Buy-back through the Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-back as well as the detailed disclosures as specified in the SEBI Buy-back Regulations, will be sent through electronic means to Eligible Shareholders who have registered their email IDs with the Depositories/ the Company.
- 21.3 Further, in terms of Regulation 9(ii) of the SEBI Buy-back Regulations, if the Company receives a request from any Eligible Shareholder for a copy of the Letter of Offer in physical form, the same shall be provided. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in this section of this Letter of Offer.
- 21.4 The Company will not accept any Equity Shares offered for Buy-back where there exists any restraint

- order of a Court/ any other competent authority for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company and the duplicate share certificate have not been issued either due to such request being under process as per the provisions of law or otherwise or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 21.5 The Company shall comply with Regulation 24 (v) of the SEBI Buy-back Regulations which restricts the Company from buying back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the time the Equity Shares become transferable.
- 21.6 The Eligible Shareholders participation in the Buy-back is voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buy-back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post-Buy-back, without additional investment. The Eligible Shareholders may also tender a part of their Buy-back Entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their Buy-back Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buy-back Entitlement by the Eligible Shareholder, shall be in terms of procedure outlined in this Letter of Offer.
- 21.7 The Company will accept Equity Shares validly tendered for the Buy-back by the Eligible Shareholders, on the basis of their Buy-back Entitlement as on the Record Date and also additional Equity Shares if any tendered by Eligible Shareholders in terms of procedure outlined in this Letter of Offer.
- 21.8 Eligible Shareholders will have to tender their Demat 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.
- 21.9 The Equity Shares proposed to be bought back in the Buy-back is divided into two categories:
- Reserved Category for Small Shareholders; and
 - General Category for all other Eligible Shareholders.
- 21.10 After accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in another category.
- 21.11 The maximum tender under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 21.12 The Buy-back shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy-Back and Delisting” (“**Stock Exchange Mechanism**”) notified by the SEBI Circulars and in accordance with the procedure prescribed in the Companies Act and the SEBI Buy-back Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 21.13 For implementation of the Buy-back, the Company has appointed Choice Equity Broking Private Limited as Company’s Broker through whom the purchases and settlements on account of the Buy-back would be made by the Company. The contact details of the Company’s Broker are as follows:
- Name:** Choice Equity Broking Private Limited
Address: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai-400099;
Contact Person: Mr. Jeetender Joshi (Senior Manager);
Telephone. + 91 22-67079832;
E-mail ID: jeetender.joshi@choiceindia.com;
Website: www.choiceindia.com
Investor Grievance Email ID: ig@choiceindia.com
SEBI Registration No: INZ000160131
- 21.14 The Company will request BSE Limited (“**BSE**”), being the designated stock exchange (“**Designated Stock Exchange**”), to provide a separate window (“**Acquisition Window**”) to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buy-back. The details of the Acquisition Window will be as specified by BSE from time to time.
- 21.15 In the event the Shareholder Broker(s) of any Eligible Shareholder is not registered with BSE as a trading member/ stock-broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register themselves by using quick unique client code (“**UCC**”) facility through the BSE registered stock broker (after submitting all details as may be required by such BSE registered

stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register using UCC facility through any other BSE registered broker, Eligible Shareholders may approach Company's Broker i.e., Choice Equity Broking Private Limited to place their bids, subject to completion of KYC requirements as required by the Company's Broker.

- 21.16 The Eligible Shareholder approaching Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.
- 21.17 During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares and Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.
- 21.18 The reporting requirements for Non-Resident Shareholders under the FEMA and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
- 21.19 Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- 21.20 Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buy-back.
- 21.21 The cumulative quantity tendered shall be made available on the website of **BSE** (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 21.22 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 Offer, shall not invalidate the Offer to any person who is eligible to receive this Offer. In case of non-receipt of the Letter of Offer, Eligible Shareholders may participate in the offer by applying on the Tender Form downloaded from the Company's website i.e., www.smautostamping.com or Registrar's portal at [www.bigshareonline.com], or obtain a duplicate copy of the same by writing to the Registrar to the Buy-back or by providing their application in plain paper in writing signed by such shareholder (in case jointly held then signed by all shareholders), stating name, address, number of shares held, Folio No, Client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents. Eligible Shareholder(s) have to ensure that their bid is entered in the Acquisition Window prior to the closure of the Offer. Please note that the Company shall accept Equity Shares from the Eligible Shareholders on the basis of their holding and Buy-back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-back using the 'plain paper' option as mentioned in this paragraph are advised to confirm their Buy-back Entitlement from the Registrar to the Buy-back, before participating in the Buy-back.
- 21.23 The acceptance of the offer for Buy-back made by the Company is entirely at the discretion of the Eligible Shareholders. The Company does not accept any responsibility for the decision of the Eligible Shareholder to either participate or to not participate in the Buy-back. The Company will not be responsible in any manner for any loss of documents during transit. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 21.24 Procedure to be followed by Equity Shareholders holding Equity Shares in the Dematerialised Form:
- a) Eligible Shareholders who desire to tender their demat shares under the Buy-back would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buy-back.
 - b) The Shareholder Broker would be required to place an order/ bid on behalf of the Eligible Shareholder who wish to tender demat shares in the Buy-back using the Acquisition Window of the Designated Stock Exchange (**BSE**). For further details, Eligible Shareholders may refer to the circulars issued by BSE and Indian Clearing Corporation Limited ("**Clearing Corporation**").
 - c) The relevant details and the settlement number under which the lien will be marked on the Equity Shares tendered for the Buy-back shall be informed in a separate circular that will be issued by the Designated Stock Exchange and/or the Clearing Corporation.

- d) The lien shall be marked by the Shareholder Broker in demat account of the Eligible Shareholders for the Equity Shares tendered in the Buy-back. The details of the shares marked as lien in the demat account of the Eligible Shareholder shall be provided by the depositories to the Clearing Corporation.
- e) In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buy-back shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“**IDT**”) instruction shall be initiated by the Eligible Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Eligible Shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of Equity Shares blocked in the Eligible Shareholders demat account shall be provided by the target depository to the Clearing Corporation.
- f) For custodian participant orders for demat shares, early pay-in is mandatory prior to confirmation of order/ bid by custodian participant. The custodian participant shall either confirm or reject the orders no later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- g) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“**TRS**”) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/ bid has been placed. TRS will contain details of order submitted like bid ID number, application number, DP ID, Client ID, number of Equity Shares tendered etc. In case of non-receipt of the completed tender form and other documents, but lien marked on Equity Shares and a valid bid in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- h) It is clarified that in case of demat shares, submission of the tender form and TRS is not mandatory. After the receipt of the demat shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.
- i) Eligible shareholders who have tendered their demat shares in the buy-back shall also provide all relevant documents, which are necessary to ensure transferability of the demat shares in respect of the tender form to be sent. Such documents may include (but not be limited to): (i) duly attested power of attorney, if any person other than the eligible shareholder has signed the tender form; (ii) duly attested/notarized copy of death certificate and succession certificate/ legal heirship certificate or probated will, in case any eligible shareholder is deceased, or court approved scheme of merger/ amalgamation for a company; and (iii) in case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

21.25 Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical Form:

- a) In accordance with the SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in a buy-back through tender offer route. However, such tendering shall be as per the provisions of the SEBI Buy-back Regulations and terms of Letter of Offer.
- b) Eligible Shareholders who are holding physical shares and intend to participate in the Buy-back will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) the Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered 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, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, (vi) Attestation of signature of the shareholder(s) by the Bank in Form ISR2, in case of mismatch of specimen signature, 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 Aadhaar card, voter identity card or passport.
- c) Based on aforesaid documents, the concerned Shareholder Broker shall place an order/bid on behalf of

the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buy-back, using the acquisition window of BSE. Upon placing the bid, the Shareholder broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio number, certificate number, distinctive number, number of Equity Shares tendered, etc.

- d) Any Shareholder Broker/ Eligible Shareholder who places a bid for physical shares, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buy-back i.e., **Bigshare Services Private Limited** (at the address mentioned in this Letter of Offer) on or before the Buy-back Closing Date. The envelope should be superscribed as **“SM Auto Stamping Limited Buy-back Offer 2023”**. One copy of the TRS will be retained by the Registrar to the Buy-back and it will provide acknowledgement of the same to the Shareholder Broker.
- e) The Eligible Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for Buy-back by the Company shall be subject to verification as per the SEBI Buy-back Regulations and any further directions issued in this regard. The Registrar to the Buy-back will verify such bids based on the documents submitted on a daily basis and till such verification, BSE shall display such bids as ‘unconfirmed physical bids’. Once Registrar to the Buy-back confirms the bids, they will be treated as ‘confirmed bids’.
- f) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buy-back before the closure of the tendering period of the Buy-back.
- g) An unregistered shareholder holding physical shares may also tender their Equity Shares in the Buy-back by submitting the duly executed transfer deed for transfer of shares, purchased prior to the Record Date, in their name, along with the offer form, copy of their PAN Card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any. In the tendering process, the Shareholder’s Broker may also process the orders received from the Eligible Shareholders.

21.26 Additional requirements in respect of tenders by the Non-Resident Shareholders (Read with section “Details of Statutory Approvals” on page 32 of this Letter of Offer):

- a) While tendering their Equity Shares under the Buy-back, all Eligible Shareholders being Non-Resident Shareholders of the Equity Shares (excluding FIIs/ FPIs) shall enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- b) Eligible Shareholders who re FIIs/ FPIs should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on a repatriation basis, the Non-Resident Eligible Shareholders shall obtain and enclose a letter from the Eligible Shareholder’s authorized dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account (e.g., NRE a/c) as specified by RBI in its approval. In case the Non-Resident shareholder is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non- Resident 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 Equity Shares Accepted in the Buy-back.
- d) Notwithstanding anything contained in this Letter of Offer, if any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buy-back are liable to be rejected.

21.27 Those shareholders who have not received the Letter of Offer and the Tender Form dispatched by email or by physical form, as the case may be, can send a letter to the Registrar to the Buy-back requesting for a copy of the Letter of Offer and the Tender Form physically or by an email. Alternatively, the shareholders can browse to the portal at www.bigshareonline.com and download the Letter of offer and the Tender form available and may also check for their entitlement by entering information like Folio no, / DP id and Client id, PAN and such other credentials as may be required for validating the request at the portal.

B. ACCEPTANCE OF ORDERS

The Registrar to the Buy-back shall provide details of order Acceptance to the Clearing Corporation within specified timelines.

C. METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per SEBI Buy-back Regulations:

- (a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- (b) The Company will pay the consideration to the Buy-back to the Company's Broker who will transfer the funds pertaining to the Buy-back to the Clearing Corporation's bank accounts as per the prescribed schedule. The settlement of fund obligation for demat shares shall be affected as per the SEBI Circulars and as prescribed by the Designated Stock Exchange and Clearing Corporation from time to time. For demat shares accepted under the Buy-back, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by the RBI/ the concerned bank(s), due to any reason, then the amount payable to the concerned shareholders will be transferred to the settlement account of the Shareholder Broker for onward transfer to such Eligible Shareholders.
- (c) In case of certain Eligible Shareholders viz., NRIs, non-residents etc. (where there are specific RBI and other regulatory requirements pertaining to funds payout) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker'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 the Designated Stock Exchange and the Clearing Corporation from time to time.
- (d) Details in respect of shareholder's entitlement for tender offer process will be provided to the Clearing Corporation by the Company or Registrar to the Buy-back. On receipt of the same, Clearing Corporation will cancel lien on the excess or unaccepted blocked shares in the demat account of the shareholder. On the settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporation.
- (e) In the case of Inter Depository, Clearing Corporation will cancel the excess or unaccepted shares in target depository. Source Depository will not be able to release the lien without a release of IDT message from Target Depository. Further, release of IDT message shall be sent by target Depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buy-back. Post receiving the IDT message from target Depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target Depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target Depository on settlement date.
- (f) The Equity Shares bought back in the demat form would be transferred to the special demat account of the Company ("**Demat Escrow Account**") opened for the Buy-back.
- (g) Eligible Shareholders who intend to participate in the Buy-back should consult their respective Shareholder Broker for payment to them of any cost, charges, and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buy-back (secondary market transaction). The Buy-back consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.
- (h) The Seller Member would issue contract note and pay the consideration for the Equity Shares accepted under the Buy-back and will unblock the excess unaccepted Equity Shares. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- (i) The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Eligible Shareholders' sole risk. Eligible Shareholders should ensure that their depository account is maintained till all

formalities pertaining to the Buy-back are completed.

- (j) Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned to the Shareholders directly by Registrar to the Buy-back. 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 Buy-back by the equity shareholders holding equity shares in the physical form.
- (k) 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 SEBI Buy-back Regulations.
- (l) For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- (m) Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- (n) Participation in the Buy-back by shareholders will trigger tax on distributed income to shareholders (hereinafter referred to as "**Buyback Tax**") in India and such tax is to be discharged by the Company. This may trigger capital gains taxation in the hands of shareholders in their country of residence, if outside India. The transaction of Buy-back would also be chargeable to securities transaction tax in India. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buy-back.

D. SPECIAL ACCOUNT OPENED WITH THE CLEARING CORPORATION

The details of transfer of the Demat Shares to the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of the Clearing Corporation by trading members or custodians shall be informed in the issue opening circular that will be issued by the BSE or the Clearing Corporation.

E. REJECTION CRITERIA

The Equity Shares tendered by Eligible Shareholders holding Demat Shares would be liable to be rejected on the following grounds:

- the Equity Shareholder is not an Eligible Shareholder (Equity Shareholder as on the Record Date); or
- in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form; or
- if there is a name mismatch in the demat account of the Eligible Shareholder and PAN; or

The Equity Shares tendered by Eligible Shareholders holding Physical Shares would be liable to be rejected on the following grounds, if:

- The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before Thursday, January 04, 2023 (by 5:00 p.m.); or
- If there is any other company's share certificate/Invalid Certificate enclosed with the Tender Form instead of the share certificate of the Company; or
- If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; or
- If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- 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 to the Buy-back; or
- Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity

- Shares is under dispute or otherwise not clear or where any other restraint subsists; or
- If the PAN cards (self-attested) of the Shareholder and all the joint holders, are not submitted with the form.

22. NOTE ON TAXATION

The text of the report dated November 06, 2023 received from M/s. S. R. Rahalkar & Associates, Chartered Accountants, the Statutory Auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

To,
Board of Directors,
SM Auto Stamping Limited
J-41, MIDC Ambad, Nashik,
Maharashtra- 422010

Dear Sir/ Madam,

Sub: Note on Taxation for the proposed buyback of Equity Shares on a proportionate basis (the “Buyback”) of SM Auto Stamping Limited (“Company”) from the Eligible Shareholders by way of a tender offer process.

With reference to the captioned subject, given below is a broad summarization of the applicable sections of the Income Tax Act, 1961 and relevant rules made thereunder relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which shall form part of the disclosure in the Letter of Offer or any other document in relation to the Buyback of the Company.

The summary of the tax considerations in this section is based on the current provisions of the tax laws of India and the regulations thereunder, the judicial and the administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such changes could have different tax implications on these tax considerations.

In view of the complexity and the subjectivity involved in the tax consequences of a buy back transaction, eligible shareholders are required to consult their tax advisors for the tax treatment in their hands considering the relevant tax provisions, facts and circumstances of their case.

tion, eligible shareholders are required to consult their tax advisors for the tax treatment in their hands considering the relevant tax provisions, facts and circumstances of their case.

We do not accept any responsibility for the accuracy or otherwise of this tax summary and explicitly disowns any liability arising out of any action including a tax position taken by the eligible shareholder by relying on this summary.

1. GENERAL

The Indian tax year runs from 1st April to 31st March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 (“**Income Tax Act**” or “**ITA**”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or profession controlled in India.

In case of shares of a Company, the source of income from shares would depend on the ‘situs’ of the shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement (“**DTAA**”), as modified by the Multilateral

Instrument (“MLI”), if the same is applicable to the relevant DTAA between India and the respective country of which the said shareholder is tax resident. The above benefit may be available subject to satisfying relevant conditions prescribed under ITA including but not limited to availability of Tax Residency Certificate, non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the ITA as well as satisfying the relevant conditions under respective DTAA including anti-abuse measures under the MLI, if applicable. The summary of tax implications on buyback of equity shares listed on the stock exchanges in India is set out below. All references to equity share in this note refer to equity shares listed on the stock exchanges in India unless stated otherwise.

2. CLASSIFICATION OF SHAREHOLDERS

Section 6 of the ITA determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in categories as mentioned below:

- a. Resident Shareholders being:
 - i. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”), Firm, Limited Liability Partnership (“LLP”)
 - ii. Others (corporate bodies):
 - Company
 - Other than Company
- b. Deemed Resident Shareholder - an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding ₹15 Lakhs during the tax year.
- c. Non-Resident Shareholders being:
 - i. Non-Resident Indians (“NRIs”)
 - ii. Foreign Institutional Investors (“FIIs”) / Foreign Portfolio Investors (“FPIs”)
 - iii. Others:
 - - Foreign Company
 - - Foreign non-corporate shareholders

3. BUYBACK OF EQUITY SHARES

- a. Section 115QA of the ITA introduced w.e.f. June 1, 2013 contains provisions for taxation of a domestic company in respect of buy-back of shares (within the meaning of Section 68 of the Act). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.
- b. Before the enactment of Finance Act (No. 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No. 2), 2019 has amended section 115QA of the ITA with effect from July 5, 2019 extending its provisions to cover distributed income on buy-back of equity shares of a company listed on a recognized stock exchange as well.
- c. With effect from July 5, 2019 extending its provisions to cover distributed income on buy-back of equity shares of a company listed on a recognized stock exchange as well.
- d. Section 10(34A) of the ITA provided for tax exemption to a shareholder in respect of income arising from buy-back of shares w.e.f. April 1, 2014 (i.e. Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of tax exemption on income from buy-back to shareholders in respect of shares listed on recognized stock exchange as well.
- e. Shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications to the following categories of shareholders are as under:

a. Resident Shareholders or Deemed Resident Shareholders

Income arising to the shareholder on account of buy-back of equity shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

b. Non-Resident Shareholders

While the income arising to the shareholder on account of buy-back of equity shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non-resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of sub-section (4) and (5) of Section 115QA of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

sidence in respect of the buy-back tax paid by the company in view of sub-section (4) and (5) of Section 115QA of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

4. TAX DEDUCTED AT SOURCE

In the absence of any specific provision under the current Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to shareholders pursuant to the buy-back.

5. SECURITIES TRANSACTION TAX

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, Securities Transaction Tax at 0.1% of the value of the transaction will be applicable.

6. RESTRICTION OF USE:

We hereby consent to inclusion of the extracts of this certificate in the Letter of Offer and any other documents in relation to the Buyback of equity shares of the Company to be sent to the shareholders of the Company or submit to the Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority as per applicable laws. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

t is shown or into whose hands it may come without our prior consent in writing.

The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

For S.R. RAHALKAR & ASSOCIATES
Chartered Accountants
Firm Registration No.108283W

S.R. Rahalkar
Partner

Date: 06/11/2023
Place: Nashik

Membership Number - 14509
UDIN: 23014509BGUQTS4261

Unquote

23. DECLARATION BY THE BOARD OF DIRECTORS

23.1 The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest 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.

23.2 As required by clause (x) of schedule I in accordance with Regulation 5(iv)(b) of the SEBI Buy-back Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

23.3 of the SEBI Buy-back Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- immediately following the date of board meeting, being November 06, 2023 ("**Board Resolution**") and the date on which the result of the shareholders' resolution passed by way of postal ballot will be

declared ("**Shareholder Resolution**") approving the Buy-back, there will be no grounds on which the Company could be found unable to pay its debts;

- as regards the Company's prospects for the year immediately following date of the Board Resolution as well as the date of the Shareholder Resolution, having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of 1 (one) year from the date of the Board Resolution or the Shareholder Resolution; and
- in a period of 1 (one) year from the date of the Board Resolution or the Shareholder Resolution; and
- in forming the aforementioned opinion, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Act or Insolvency and Bankruptcy Code, 2016 (to the extent notified).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting of held on Monday, November 06, 2023.

For and on behalf of the Board of Directors of SM AUTO STAMPING LIMITED

Mukund Narayan Kulkarni Sd/-	Suresh Gunwant Fegde Sd/-	Pawan Mahajan Sd/-
Chairman & Managing Director DIN: 00248797	Whole Time Director DIN: 00248850	Company Secretary & Compliance Officer ICSI Membership Number: A65674

24. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated November 06, 2023 received from M/s. S. R. Rahalkar & Associates, Chartered Accountants, the Statutory Auditor of the Company ("Auditor's Report") addressed to the Board of Directors of the Company is reproduced below:

Quote

INDEPENDENT AUDITOR'S REPORT ON THE PROPOSED BUY BACK OF EQUITY SHARES PURSUANT TO THE REQUIREMENTS OF SECTION 68 AND SECTION 70 OF THE COMPANIES ACT, 2013 AND CLAUSE (XI) OF SCHEDULE I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018 AS AMENDED

To
Board of Directors,
SM Auto Stamping Limited
J-41, MIDC Ambad, Nashik,
Maharashtra- 422010.

Dear Sir/ Madam,

Re: Statutory Auditor's Report in respect of proposed buyback of equity shares by SM Auto Stamping Limited (the "Company") pursuant to the requirements of the Companies Act, 2013 ("the Act") and Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy- Back of Securities) Regulations, 2018, as amended ("the Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated Friday 3rd November 2023 with SM Auto Stamping Limited ("the Company").
2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its Meeting held on Monday the 06th November 2023, in pursuance of the provisions of Sections 68, 69 and 70 of the Act and the Buyback Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying "Statement of Permissible Capital Payment as on September 30, 2023" ('Annexure A') (hereinafter referred to as the "Statement"). This Statement has been prepared by the Management, which we have initiated for the purposes of identification only.

Management's Responsibility:

4. The preparation of the Statement in compliance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations and the compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will be able to pay its debts from the date of board meeting approving the Buyback of its equity shares i.e. Monday the 06th November 2023 (hereinafter referred as the "date of the Board meeting") and will not be rendered insolvent within a period of one year from the date of board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and informing the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. As the Buyback Regulations and the Act do not define the term "insolvent", the Company has applied the guidance provided in paragraph 10 of AS 1, Disclosure of Accounting Policies, which relate to the assessment of the Company's ability to continue as a going concern for a period of one year from Monday the 06th November 2023.
6. The Management of the Company is also responsible for ensuring that the Company complies with the requirements of the SEBI Buyback Regulations and the Companies Act.

Auditor's Responsibility:

7. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
 - (i) we have inquired into the state of affairs of the Company in relation to the half yearly audited financial statements as at September 30, 2023;
 - (ii) the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the half yearly audited financial statements as at September 30, 2023 in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations; and
 - (iii) the Board of Directors of the Company, in their Meeting held on Monday the 06th November 2023 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent (as defined in management responsibility above) within a period of one year from the aforesaid date with regard to the proposed buyback are declared.
8. The half yearly audited financial statements referred to in paragraph 7 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated 06th November 2023. We conducted our audit of the half yearly financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
9. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the above reporting. We accordingly performed the following procedures:
 - (i) Examined that the amount of permissible capital payment for the buy back as detailed in Annexure A is in accordance with the Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations; and
 - (ii) Inquired into the state of affairs of the Company with reference to the audited financial statements as at September 30, 2023;
 - (iii) Traced the amounts of paid-up equity share capital, retained earnings and general reserves as mentioned in Annexure A from the audited financial statements as at September 30, 2023;
 - (iv) Verified the arithmetical accuracy of the amounts mentioned in **Annexure A**;
 - (v) Examined authorization for buy back from the Articles of Association of the Company, approved by Board of Directors in its meeting held on Monday the 06th November 2023.

- (vi) Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves based on the audited financial statements of the Company as on September 30, 2023;
 - (vii) Examined that all shares for buy-back are fully paid-up;
 - (viii) Examined Director's declarations for the purpose of buy back and solvency of the Company; and
 - (ix) Inquired if the Board of Directors, in its meeting held on Monday the 06th November 2023, has formed the opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board meeting.
 - (x) Obtained necessary representations from the management of the Company;
10. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "Guidance Note") and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Buyback.
12. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion:

13. Based on inquiries conducted and our examination as above, we report that:
- (i) We have inquired into the state of affairs of the Company in relation to its half yearly audited financial statements as at and for the year ended September 30, 2023, which have been approved by the Board of Directors of the Company on Monday the 06th November 2023..
 - (ii) The amount of permissible capital payment towards the proposed buyback of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of Buyback Regulation. The amounts of share capital and free reserves used in the computation of permissible capital payment have been accurately extracted from the audited financial statements of the Company as at and for the half year ended September 30, 2023.
 - (iii) The Board of Directors of the Company, at their meeting held on Monday the 06th November 2023 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company having regard to its state of affairs, will not be rendered insolvent (as defined in management responsibility above) within a period of one year from the aforesaid date i.e. Monday the 06th November 2023
14. Based on the representations made by the management, and other information and explanations 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 opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on use:

15. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company as mentioned in paragraph 5 above, (ii) to enable the Board of Directors of the Company to include in the public announcement and other documents pertaining to buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, and any other regulatory authority as per applicable law; and (b) the Central Depository Services (India) Limited, National Securities Depository Limited; and (c) can be shared with the Merchant Bankers in connection with the proposed buyback of equity shares of the Company for onward submission to relevant authorities in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buyback Regulations, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For S.R. RAHALKAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.108283W**

**S.R. Rahalkar
Partner
Membership Number-014509
UDIN: 23014509BGUQTR7305**

Place: Nashik

Date: 06th November 2023

Annexure A - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2)(c) of the Companies Act, 2013 ("the Act") and Regulation 4(i) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, based on half yearly audited financial statements as at and for the year ended September 30, 2023.

		INR in Lakhs
	Particulars	Amount
(A)	Paid up Equity Share Capital as on 30th September, 2023. (14287832 fully paid up Equity Shares of INR 10/- each)	1428.78
(B)	Free reserves*	
	Security premium	243.80
	Reserves	112.07
	Surplus	172.37
	Total Free Reserves	528.24
	Total of Paid-up Equity Share Capital and Free Reserves (A+B)	1957.02
	Maximum amount permissible for buyback under Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations (25% of the Total of the Paid up Equity Share Capital and Free Reserves)	489.26
	Amount approved by the board of directors subject to approval of shareholders for the buyback in the meeting held on Monday 6 th November 2023	360.00

* Free Reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013 as Amended.

<p>For and on behalf of Board of Directors of SM Auto Stamping Limited (Formerly known as S M Auto Stamping Private Limited)</p> <p>Pawan Mahajan Company Secretary Membership Number-65674</p> <p>Date:06/11/2023 Place: Nashik</p>	<p>For S.R. RAHALKAR & ASSOCIATES CHARTERED ACCOUNTANTS Firm Registration No.108283W</p> <p style="text-align: right;">S.R. Rahalkar Partner Membership Number-14509 UDIN : 23014509BGUQTR7305</p>
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Unquote

25. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection at the Registered Office of the Company at J-41, MIDC Ambad, Nashik-422010, Maharashtra, India between 10.00 a.m. and 5.00 p.m. on any day, except Saturday, Sunday and public holidays, during the Tendering Period:

- a) Certificate of Incorporation of the Company,
- b) Memorandum and Articles of Association of the Company.
- c) Copies of Annual Reports of the Company for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and audited financial statements for the half year ended September 30, 2023.
- d) Copy of resolution passed by the Board of Directors at the meeting held on Monday, November 06, 2023 approving the proposal of the Buy-back.
- e) Copy of report dated November 06, 2023 received from M/s. S. R. Rahalkar & Associates, Chartered Accountants, the Statutory Auditor of the Company, in terms of clause (xi) of Schedule I to the SEBI Buy-back Regulations.
- f) Copy of the Public Announcement for Buy-back dated December 11, 2023 published in newspapers on December 12, 2023 regarding Buy-back of the Equity Shares.
- g) Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under Section 68(6) of the Companies Act.
- h) Copy of Escrow Agreement dated December 11, 2023 entered into amongst the Company, the Manager to the Buy-back and the Escrow Agent.
- i) Copy of opinion dated November 06, 2023 obtained by the Company from M/s. S. R. Rahalkar & Associates, Chartered Accountants, on taxation.
- j) Copy of the certificate from Partner at Prakash G. Pathak & Company, Chartered Accountants, dated November 06, 2023, certifying that the Company has adequate and firm financial resources to fulfill the obligations under the Buy-back;

26. DETAILS OF THE COMPLIANCE OFFICER

The Board at their meeting held on November 06, 2023 appointed Pawan Mahajan, Company Secretary, as the compliance officer for the purpose of the Buy-back ("**Compliance Officer**"). Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address: -

Pawan Mahajan

Company Secretary and Compliance Officer

ICSI Membership Number: A65674

SM Auto Stamping Limited

Registered Office: J-41, MIDC Ambad, Nashik-422010, Maharashtra, India

Corporate Office: C-13, MIDC Ambad, Nashik- 422010, Maharashtra, India

Tel. No.: +91-253 6621102; **Fax:** +91 253 6601444;

E-mail ID: companysecretary@smautostamping.com; **Website:** www.smautostamping.com;

27. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

27.1. In case of any grievances relating to the Buy-back (including non-receipt of the Buy-back consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach either of the Compliance Officer, Manager to the Buy-back, Registrar to the Buy-back for redressal thereof.

27.2. If the Company makes any default in complying with Sections 68, 69, 70 of the Companies Act including the rules thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as applicable.

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

The Registrar of Companies, Mumbai

100, Everest, Marine Drive,

Mumbai 400 002, Maharashtra, India

Phone: +91 22 22812627/22020295/22846954

Fax: +91 22 22811977

E-mail: roc.mumbai@mca.gov.in

28. DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre and Registrar for the purposes of the Buy-back, on any day except Saturday and Sunday and public holidays between IST 10.00 a.m. to IST 5.30 p.m. at the following address:



Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri East, Mumbai-400093, Maharashtra, India.

Tel No.: + 91 22 6263 8200 **Fax:** +91 22 6263 8299

Contact Person: Maruti Eate

E-mail ID: buybackoffer@bigshareonline.com; Website: www.bigshareonline.com

Investor Grievance E-mail ID: investor@bigshareonline.com

SEBI Registration No.: INR000001385

Validity Period: Permanent

Corporate Identification Number: U99999MH1994PTC076534

29. DETAILS OF THE MANAGER TO THE BUY-BACK

The Company has appointed the following as Manager to the Buy-back:



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, Andheri-Kurla Road,
J. B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India.

Tel. No.: +91 22 49730394

E-mail ID: buybacks@saffronadvisor.com

Investor Grievance E-mail ID: investorgrievance@saffronadvisor.com

Website: www.saffronadvisor.com

Corporate Identification Number: U67120MH2007PTC166711

SEBI Registration Number: INM000011211

Contact Person: Narendra Kumar Gamini / Satej Darde

30. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 24(i)(a) of the SEBI Buy-Back Regulations, the Board of Directors accepts full responsibility for the information contained in this Letter of Offer and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buy-back and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

This Letter of Offer is issued under the authority of the Board in terms of the resolution passed by the Board on Monday, November 06, 2023.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF SM AUTO STAMPING LIMITED

Mukund Narayan Kulkarni Sd/-	Suresh Gunwant Fegde Sd/-	Pawan Mahajan Sd/-
Chairman & Managing Director DIN: 00248797	Whole Time Director DIN: 00248850	Company Secretary & Compliance Officer ICSI Membership Number: A65674

Place: Nashik

Date: December 27, 2023