

## **DRAFT LETTER OF OFFER**

### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is being sent to you, being an Eligible Shareholder of KIOCL Limited (the “**Company**”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited or the Registrar to the Buyback Offer i.e. Integrated Registry Management Services Private Limited. Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.

### **KIOCL LIMITED**

(A Government of India Enterprise)

**Registered & Corporate Office:** II Block, Koramangala, Bangalore – 560 034, Karnataka, India  
**CIN:** L13100KA1976GOI002974

**Contact Person:** Shri Suwendu Kumar Padhi, Company Secretary & Compliance Officer

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**CASH OFFER FOR BUYBACK OF NOT EXCEEDING 1,25,88,235 (ONE CRORE TWENTY FIVE LAKH EIGHTY EIGHT THOUSAND TWO HUNDRED THIRTY FIVE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹10 EACH, REPRESENTING 1.98% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. MONDAY, OCTOBER 1, 2018**

**₹ 170 (RUPEES ONE HUNDRED SEVENTY ONLY) PER EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING ₹ 214 CRORE (RUPEES TWO HUNDRED FOURTEEN CRORE FORTY ONLY)**

- 1) The Buyback is in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended to the extent applicable and in accordance with Article 7A of the Articles of Association of the Company and in accordance with Regulation 4(iv)

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## 1. SCHEDULE OF THE ACTIVITIES FOR THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	September 18, 2018	Tuesday
Date of Public Announcement for Buyback	September 19, 2018	Wednesday
Date of publication of the Public Announcement for the Buyback	September 20, 2018	Thursday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	October 1, 2018	Monday
Date of Opening of the Buyback Offer	[•]	[•]
Date of Closing of the Buyback Offer	[•]	[•]
Last date of receipt of the completed Tender Forms and other specified documents including physical Equity Share certificates by the Registrar	[•]	[•]
Last date of verification of Tender Forms by the Registrar	[•]	[•]
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	[•]	[•]
Last date of settlement of bids on the Stock Exchanges	[•]	[•]
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	[•]	[•]
Last date of extinguishment of Equity Shares	[•]	[•]

## 2. DEFINITION OF KEY TERMS

*This Draft 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, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies 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 Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, 2013, the Depositories Act, and the rules and regulations made thereunder.*

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Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on September 18, 2018 approving the proposal for the Buyback Offer
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 'Committee' thereof)
BSE	BSE Limited
Buyback/ Offer/ Offer/ Buyback Offer Size	Buyback of not exceeding 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares at a price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share for an aggregate consideration not exceeding ₹ 214 crore (Rupees Two Hundred Fourteen

<b>Term</b>	<b>Description</b>
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	[●], 2018
Buyback Opening Date	[●], 2018
Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation / ICCL	Indian Clearing Corporation Limited
Company/KIOCL/ “we”	KIOCL Limited, unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended
Company’s Broker	IDBI Capital Markets & Securities Limited
Depositories	Collectively, NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback, being, BSE
DIN	Director Identification Number
Draft Letter of Offer/ Offer Document/ DLoF	This Letter of Offer dated September 27, 2018 filed with SEBI through the Manager to the Buyback Offer, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value ₹ 10 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Monday, October 1, 2018.
Escrow Account	The escrow account titled “[●]” opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and the IDBI Capital Markets & Securities Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
GoI	Government of India
HUF	Hindu Undivided Family
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer	Letter of Offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
LTCCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI Capital	IDBI Capital Markets & Securities Limited
MSEI	Metropolitan Stock Exchange of India Limited
Non-Resident Shareholders	Includes Non-

<b>Term</b>	<b>Description</b>
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 170 (Rupees One Hundred Seventy only) per Equity Share, payable in cash
PAN	Permanent Account Number
Promoter/ Promoter Group	The President of India acting through Ministry of Steel, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated September 19, 2018, published in all editions of the Business Standard (English and Hindi National daily) and the Bengaluru edition of Hosa Dignatha (Regional Language daily) on September 20, 2018
Ratio of Buyback	The ratio of the Buy-back: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Monday, October 1, 2018
Registrar to the Buyback Offer/ Registrar	Integrated Registry Management Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e. Monday, October 1, 2018
STCG	Short-term Capital Gains
Stock Exchanges	BSE, NSE and MSEI, being the stock exchanges where the Equity Shares of the Company are listed
Tender Form	Form of Acceptance-cum-Acknowledgement
Tender Offer	Method of buyback as defined in Regulation 2(i)(q) of the Buyback Regulations
TRS	Transaction Registration Slip
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

### 3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI). It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act, 2013 and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. The Manager to the Buyback Offer, IDBI Capital Markets & Securities Limited has furnished to SEBI a due diligence certificate dated September 27, 2018 in accordance with Buyback Regulations which reads as follows:

*the Letter of Offer, as*

*part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated September 19, 2018 and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:*

- *The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback offer including Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, have been duly complied with.*
- *The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended*

The filing of the Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoter/ 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/ 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 a mis-statement/ misrepresentation, the Promoter/ Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013, Buyback Regulations and other applicable laws and regulations.

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

#### **Disclaimer for U.S. Persons:**

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft 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 authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

#### **Disclaimer for Persons in other foreign countries:**

This Draft 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 Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

## **Forward Looking Statement:**

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, 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 India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, 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 we operate.

## **4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING**

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Tuesday, September 18, 2018. The extracts of the minutes of the Board Meeting are as follows:

**“RESOLVED THAT** pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the **“Companies Act”**), and in accordance with Article 7A of the Articles of Association of the Company, the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the **“Buyback Regulations”**), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies, Bangalore, Karnataka (the **“ROC”**) and/ or other authorities, institutions or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy back by the Company of its fully paid-up equity shares of Rs. 10/- each not exceeding 1,25,88,235 (One Crore Twenty-Five Lakhs Eighty-Eight Thousand Two Hundred Thirty-Five) equity shares (representing 1.98%] of the total number of equity shares in the paid-up share capital of the Company) at a price of Rs.170/- (Rupees One Hundred Seventy only) per equity share (the **“Buyback Offer Price”**) payable in cash for an aggregate consideration not exceeding Rs. 214 Crores (Rupees Two Hundred Fourteen Crores only) (the **“Buyback Offer Size”**) being 9.99% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2018, respectively and is within the statutory limits of 10% (Ten Percent) of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the **“Buyback”**).

**RESOLVED FURTHER THAT** the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement 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 and CFD/DCR2/CIR/P/ 2016/131 dated December 09, 2016 or such other mechanism as may be applicable.

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

**RESOLVED FURTHER THAT** such Buyback may be made out of the Company's free reserves and / or such other sources as may be permitted by law through "Tender Offer" route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 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 on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations.

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

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

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

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) that the aggregate consideration for Buyback not exceeding Rs. 214 Crores (Rupees Two Hundred Fourteen Crores only), does not exceed 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of the Board meeting);
- g) that the maximum number of equity shares proposed to be purchased under the Buyback i.e. 1,25,88,235 (One Crore Twenty-Five Lakhs Eighty-Eight Thousand Two Hundred Thirty-Five) equity shares, does not exceed 25% of the total number of equity shares in the paid-up share capital of the Company;
- h) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback as prescribed under the Companies Act, 2013 and rules made thereunder and Buyback Regulations;
- i) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.

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

- a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;

- b) As regards the Company's prospects for the year immediately following the date of this Board meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act 1956 or Companies Act, 2013 and Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

**RESOLVED FURTHER THAT** the proposed Buyback be implemented from the existing shareholders including the Promoter(s) of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended ("**SEBI Takeover Regulations**") as the Board may consider appropriate, from out of its free reserves and/ or by such mechanisms as may be permitted by Law, 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** Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback.

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

**RESOLVED FURTHER THAT** the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Chairman-cum-Managing Director and Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Sri S K Padhi, Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.

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

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

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

**RESOLVED FURTHER THAT** the buyback is being proposed in keeping with the Company's desire to enhance overall shareholders value and the buyback would lead to reduction in total number of equity shares

**RESOLVED FURTHER THAT** the approval of Board for appointment of Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited be and is hereby accorded.

**RESOLVED FURTHER THAT** a Committee be constituted ("**Buyback Committee**") comprising of Chairman-cum-Managing Director, Director (Finance) and that Company Secretary shall act as the Secretary to the Buyback Committee. Further, the Buyback Committee is hereby authorized, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or

proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) appointment of brokers, registrar, advertising agency, escrow bank, compliance officer and other advisors, consultants or representatives;
- b) finalizing the terms of buyback like the mechanism for the buyback, record date, entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the buyback;
- c) to enter into escrow arrangements as may be required in terms of the Buyback Regulations;
- d) opening, operation and closure of all necessary accounts, including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- e) preparation, signing and filing of public announcement, the draft letter of offer/ letter of offer and any other material in relation with the Buyback with the SEBI, ROC, the stock exchanges and other Appropriate Authority;
- f) making all applications to the Appropriate Authority for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
- g) extinguishment of dematerialized shares and physical destruction of share certificates and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or the Board, as required under applicable law;
- h) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc and enter into agreements/ letters in respect thereof;
- i) to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of shares in accordance with the provisions of the Articles of Association of the Company.
- j) sign, execute and deliver such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other Appropriate Authorities.
- k) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law.
- l) dealing 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 implementing 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 and circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.
- m) to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company.
- n) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- o) to settle and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback.

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

**RESOLVED FURTHER THAT** in terms of Regulation 24(iii) of the Buyback Regulations, Shri S K Padhi, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.

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

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

**RESOLVED FURTHER THAT** any of the Directors of the Company and /or the Company Secretary for the time being, be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, Karnataka and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.

The Board also authorised Chairman-cum-Managing Director of the Company shall be authorised to make necessary corrections/changes in the documents/papers as may be permissible under applicable laws and not having any material impact.

The Board further authorised the Company Secretary to make necessary communications with the Promoters of the Company, as may be required in connection with the buyback”

## 5. DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated September 19, 2018 in relation to the Buyback which was published on September 20, 2018 in the following newspapers. The Public Announcement was issued within two working days from the date of the passing of the resolution in the meeting of Board of Director for the Buyback i.e., September 18, 2018.

Publication	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Hosa Dignatha	Kannada	Bengaluru

A copy of the Public Announcement is available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and the website of the Company i.e. [www.kioclltd.in](http://www.kioclltd.in).

## 6. DETAILS OF THE BUYBACK

The Board of Directors of KIOCL Limited on September 18, 2018 passed a resolution to buyback Equity Shares of the Company not exceeding 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) fully paid-up Equity Shares of face value ₹10 each from all the existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the “**Tender Offer**” process, at a price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share payable in cash, for an aggregate consideration not exceeding of ₹ 214 crore (Rupees Two Hundred Fourteen Crore only).

The Buyback is in accordance with the provisions of Article 7A of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, NSE and MSEI.

The Buyback Offer Size represents 9.99% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act, 2013. The maximum number of Equity Shares proposed to be bought back represents 1.98% of the total number of Equity Shares in the issued, subscribed and paid-up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed ₹ 214 crore (Rupees Two Hundred Fourteen Crore only) and is within permitted limits.

The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section

68(2) (d) of the Companies Act, 2013

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI, BSE, NSE and MSEI.

The Board of Directors at their meeting on September 18, 2018 passed a resolution approving buyback of Equity Shares of the Company.

## **8. NECESSITY OF THE BUYBACK**

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

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

After considering the above mentioned factors and benefits to the Equity Shareholders, the Board decided to recommend Buyback of not exceeding 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares (representing 1.98% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share for an aggregate consideration of not exceeding ₹ 214 crore (Rupees Two Hundred Fourteen Crore only).

## **9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY**

- 9.1 We believe the Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be ₹ 214 crore (Rupees Two Hundred Fourteen Crore only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 We believe the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.3 In terms of the Buyback Regulations, under the Tender Offer process, the promoter and promoter group of the Company has the option to participate in the Buyback. In this regards, Promoter i.e. the President of India, acting through Ministry of Steel, Government of India have expressed their intention, vide its letter dated September 18, 2018, to participate in the Buyback and tender the number of Equity Shares as set out herein below:

S. No.	Name of shareholder	No. of Equity Shares proposed to be entered
1.	The President of India, acting through Ministry of Steel, Government of India	1,25,88,235
<b>Total</b>		<b>1,25,88,235</b>

The Buyback of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

- 9.4 Since the entire shareholding of the Promoter (the President of India, acting through Ministry of Steel, Government of India) is in demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter vide its letter dated September 18, 2018, are set-out below:

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
04.11.1976	3	3,000	Subscription to Memorandum
04.11.1976	49,997	5,00,00,000	Further Allotment
23.12.1976	60,000	6,00,00,000	Further Allotment
21.02.1977	40,000	4,00,00,000	Further Allotment
11.05.1977	2,86,100	28,61,00,000	Further Allotment
18.06.1977	80,000	8,00,00,000	Further Allotment
26.07.1977	50,000	5,00,00,000	Further Allotment
17.08.1977	50,000	5,00,00,000	Further Allotment
29.09.1977	80,000	8,00,00,000	Further Allotment
27.10.1977	1,25,000	12,50,00,000	Further Allotment
02.12.1977	1,25,000	12,50,00,000	Further Allotment
05.01.1978	1,50,000	15,00,00,000	Further Allotment
12.02.1978	1,90,000	19,00,00,000	Further Allotment
03.04.1978	50,000	5,00,00,000	Further Allotment
27.05.1978	1,50,000	15,00,00,000	Further Allotment
12.07.1978	1,25,000	12,50,00,000	Further Allotment
29.08.1978	1,00,000	10,00,00,000	Further Allotment
19.09.1978	1,00,000	10,00,00,000	Further Allotment
01.12.1978	38,900	3,89,00,000	Further Allotment
26.11.1979	1,00,000	10,00,00,000	Further Allotment
29.01.1980	50,000	5,00,00,000	Further Allotment
13.01.1982	75,000	7,50,00,000	Further Allotment
14.04.1982	5,39,700	53,97,00,000	Further Allotment
03.06.1982	25,000	2,50,00,000	Further Allotment
09.07.1982	10,000	1,00,00,000	Further Allotment
06.09.1982	30,000	3,00,00,000	Further Allotment
29.09.1982	15,000	1,50,00,000	Further Allotment
07.12.1982	40,000	4,00,00,000	Further Allotment
08.01.1983	15,000	1,50,00,000	Further Allotment
19.03.1983	22,500	2,25,00,000	Further Allotment
23.06.1983	60,000	6,00,00,000	Further Allotment
22.08.1983	75,000	7,50,00,000	Further Allotment
17.09.1983	20,000	2,00,00,000	Further Allotment
25.11.1983	45,000	4,50,00,000	Further Allotment

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (₹)	Nature of Transaction/Consideration
24.01.1984	46,000	4,60,00,000	Further Allotment
20.03.1984	28,800	2,88,00,000	Further Allotment
16.06.1984	25,000	2,50,00,000	Further Allotment
20.04.1985	32,73,138	327,31,38,000	Further Allotment
16.05.1995	The face value of equity shares of ₹ 1,000 each was subdivided into face value of ₹ 10 each resulting in 63,45,13,800 equity shares		
17.05.1995	(61,60,900)	(11,37,80,300) <sup>(1)</sup>	Disinvestment by Promoter
05.12.1995	(2,000)	(1,00,000) <sup>(2)</sup>	Disinvestment by Promoter
23.02.1996	(2,06,770)	(33,08,320) <sup>(3)</sup>	Disinvestment by GoI in favour of employees of the Company
<b>Total Current Holding</b>	<b>62,81,44,130</b>		

(1): The disinvestment by the Promoter was made to institutional investors.

(2): The disinvestment by the Promoter was made to retail investors

(3): The Equity Shares of the Promoter was transferred to employees of the Company

- 9.5 Assuming that the Promoter i.e. The President of India acting through Ministry of Steel, Government of India, tenders 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares in the Buyback (in accordance with the declaration provided by them) and if
- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoter, post Buyback will increase from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall decrease from [●]% to [●]% of the post Buyback equity share capital of the Company; or
  - None of the public shareholders participate, then the aggregate shareholding of the Promoter, post Buyback will decrease from [●]% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall increase from [●]% (i.e. as on Record Date) to [●]% of the post Buyback equity share capital of the Company.
- 9.6 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- 9.7 The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act and Regulation 4(ii) of the Buyback Regulations, even if the response to the Buyback is to the extent of 100% (full acceptance).
- 9.8 In compliance with regulation 24(i)(b) of the Buyback Regulations the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations.
- 9.10 Salient financial parameters consequent to the Buyback based on the audited financial statements as on March 31, 2018 of the Company are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (₹ in Lakhs)	214,563.40	193,163.40
Return on Net worth (%)	3.80	4.00
Earnings Per Share (₹) (of ₹ 10 each)	1.28	1.31
Book Value per Share (₹)	33.82	31.06
P/E as per the latest audited financial results	171.72	168.31
Total Debt/ Equity Ratio	0.00	0.00

\* Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of Buyback

Note:

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

**Key Ratios basis:**

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (₹)	(Paid up Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth
P/E ratio	Closing price on NSE as on March 28, 2018* (i.e. ₹ 220.50) / Earnings per share

\*Last trading day in Financial Year 2018

## 10. BASIS OF CALCULATING BUYBACK PRICE

- 10.1 The Buyback price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share has been arrived at considering various factors such as the average closing prices of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the trading volume of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the net-worth of the Company, price earnings ratio, price to book ratio and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer Price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share represents premium of 0.52 % on BSE and 0.31 % on NSE over the average closing price in the last calendar month preceding the month in which Buyback Offer is approved by the Board.
- 10.3 For trends in the market price of the Equity Shares, please refer to paragraph 16 (Stock Market Data) of this Draft Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the BSE and NSE for the Board Meeting for considering the Buyback i.e. September 12, 2018, was ₹ 189.90 and ₹ 188.75 respectively.
- 10.5 The book value of the Company pre-Buyback as on March 31, 2018 was ₹ 33.82 which will decrease to ₹ 31.06 post Buyback Offer based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.
- 10.6 The earning per share of the Company pre-Buyback as on March 31, 2018 was ₹ 1.28 which will increase to ₹ 1.31 post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.
- 10.7 The Return of Net-worth of the Company pre Buyback as on March 31, 2018 was 3.80 % which will increase to 4.00 % post Buyback based on the assumption of full acceptance of the Buyback and subject to the notes mentioned to table on salient financial parameters in paragraph 9.10 of this Draft Letter of Offer.

## 11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares at a price of ₹ 170 (Rupees One Hundred Seventy only) per Equity Share would be ₹ 214 crore (Rupees Two Hundred Fourteen Crore only) (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.).
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2018 (i.e. the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the

Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

- 11.3 The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

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

- 12.1 In accordance with Regulation 9(xi) of the Buyback Regulations, an Escrow Agreement will be entered into amongst the Company, the Manager to the Buyback and the Escrow Agent on [●].
- 12.2 In accordance with the Buyback Regulations, the Company proposed to open an Escrow Account in the name and style “ ” bearing account number [●] with the Escrow Agent, namely, [●] having its registered office situated at [●]. The Company will deposit ₹ [●] in the Escrow Account, in terms of the Buyback Regulations. The Manager to the Buyback will be empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 *M/s Anandand and Ponnappan, Chartered Accountants* (Firm Reg. No. 000111S) No. 46B, 4<sup>th</sup> Floor, South Boag Road, T. Nagar, Chennai – 600 017, Contact Person: B. Hariharan (Membership No. 207896), Tel.: 044-24343251 have certified, vide their certificate dated September 24, 2018 that the Company has adequate financial resources for fulfilling all obligations under the Buyback Offer.
- 12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (₹ in Lakh)
<b>Authorised share capital</b>	
67,50,00,000 Equity Shares of ₹ 10 each	67,500.00
<b>Issued, subscribed and paid up share capital before the Buyback</b>	
63,45,13,800 Equity Shares of ₹ 10 each, fully paid up	63,451.38
<b>Issued, subscribed and paid up share capital after the Buyback</b>	
62,19,25,565 Equity Shares of ₹ 10 each, fully paid up	62,192.56

\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.2 During the 3 years preceding the date of Public Announcement (i.e. September 19, 2018), the Company has not bought back any Equity Shares.
- 13.3 As on the date of the publication of Public Announcement (i.e. September 20, 2018), there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears.
- 13.4 The shareholding pattern of the Company pre-Buyback, as on record date i.e. Monday, October 1, 2018, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of the post Buyback Equity Share Capital
Promoter	[●]	[●]	[●]	[●]
Foreign Investors (including Non	[●]	[●]	[●]	[●]

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of the post Buyback Equity Share Capital
Resident Indians, FIIs, FPIs and Foreign Mutual Funds				
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	[●]	[●]		
Other (public, public bodies corporate etc.)	[●]	[●]		
<b>Total</b>	[●]	[●]		

\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.5 Assuming the Promoter i.e. The President of India acting through Ministry of Steel, Government of India, tenders 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 13.6 No shares or other specified securities in the Company were either purchased or sold by the Promoter during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. September 18, 2018.
- Subsequent to the date of Board Meeting, till the date of this Draft Letter of Offer, the Promoter of the Company has not entered into any transactions in relation to the Equity Shares of the Company.
- 13.7 No Equity Shares have been purchased/ sold/ transferred by the Promoter of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. September 19, 2018).
- 13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.
- 13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

#### 14. BRIEF INFORMATION ABOUT THE COMPANY

- 14.1 The Company was incorporated on April 2, 1976 as Kudremukh Iron Ore Company Limited a private limited company under the Companies Act 1956 with primary objective to carry out mining and beneficiation of low grade iron ore from Kudremukh Mine located in Chickmagalur District of State of Karnataka. Subsequently, the mining operation at Kudremukh was abandoned following the order of Hon'ble Supreme Court w.e.f.01.01.2006. In order to align its identity with current nature of activities being undertaken by the Company, the name of the Company was changed from Kudremukh Iron Ore Company Limited to KIOCL Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Bangalore on January 22, 2009. The registered office of the Company was changed from 25, Mahatma Gandhi Road, Bangalore – 560 001 to II Block, Koramangala, Bangalore – 560 034, Karnataka, India on June 18, 1981.
- 14.2 The Company is a Schedule “A”-Miniratna Category-I Company. The Company was conferred status in February 24, 1999. Miniratna Category-I status of the company which provides certain operational and financial autonomy.
- 14.3 The Company was as Export Oriented Unit and is presently operating 3.5 MTPA Iron Ore Pellets Plant and has Blast Furnace Unit to manufacture 2.16 lakh tonnes per annum Pig Iron at Mangalore, Karnataka. The Company has opened up Operation & Maintenance vertical and providing services in the area of core activities and also diversified into the business of mineral exp

14.4 The annual capacity of the Pellet Plant is to produce about 3.5 million tons of Iron Ore Pellets. Other facilities include mechanical loading facilities to load Pellets directly from Stockyard to the Vessel. Pellets produced at the Mangalore Plant have excellent metallurgical properties and are an ideal feed for Blast Furnace and DRI Units. Further the Company manufacturing units are accredited with ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certifications.

14.5 The Equity Shares of the Company are listed on BSE, NSE and MSEI since August 22, 2017, November 29, 2016 and February 12, 2016 respectively.

**Growth of the business of the Company:**

14.6 In Fiscal Year 2018 the Company produced 2.327 million tons of Pellets in comparison to 1.460 million tons produced in Fiscal Year 2017, thereby registering a growth of 59% on year-on-year basis. Further the Company has also sold 2.30 million tons of Pellets in Fiscal Year as against 1.39 million tons in Fiscal Year 2017, registering a growth of 66% on year-on-year basis.

14.7 Details of changes in share capital of the Company since incorporation are as follows:

Date of Issue/ Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Consideration in Cash/ other than cash	Cumulative No. of Equity Shares	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
04.11.1976	3	1,000	1,000	Cash	3	3,000	3,000
04.11.1976	49,997	1,000	1,000	Cash	50,000	4,99,97,000	5,00,00,000
23.12.1976	60,000	1,000	1,000	Cash	1,10,000	6,00,00,000	11,00,00,000
21.02.1977	40,000	1,000	1,000	Cash	1,50,000	4,00,00,000	15,00,00,000
11.05.1977	2,86,100	1,000	1,000	Cash	4,36,100	28,61,00,000	43,61,00,000
18.06.1977	80,000	1,000	1,000	Cash	5,16,100	8,00,00,000	51,61,00,000
26.07.1977	50,000	1,000	1,000	Cash	5,66,100	5,00,00,000	56,61,00,000
17.08.1977	50,000	1,000	1,000	Cash	6,16,100	5,00,00,000	61,61,00,000
29.09.1977	80,000	1,000	1,000	Cash	6,96,100	8,00,00,000	69,61,00,000
27.10.1977	1,25,000	1,000	1,000	Cash	8,21,100	12,50,00,000	82,11,00,000
02.12.1977	1,25,000	1,000	1,000	Cash	9,46,100	12,50,00,000	94,61,00,000
05.01.1978	1,50,000	1,000	1,000	Cash	10,96,100	15,00,00,000	109,61,00,000
12.02.1978	1,90,000	1,000					

<b>Date of Issue/ Allotment</b>	<b>No. of Equity Shares</b>	<b>Face Value (₹)</b>	<b>Issue price (₹)</b>	<b>Consideration in Cash/ other than cash</b>	<b>Cumulative No. of Equity Shares</b>	<b>Equity Share Capital (₹)</b>	<b>Cumulative Equity Share Capital (₹)</b>
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14.9 The details of changes in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. September 20, 2018) are as under:

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
1.	Shri Malay Chatterjee Designation: Chairman-cum- Managing Director DIN: 00380683	July 01, 2012	June 30, 2017	Completion of term
2.	Shri Laxinarayana Designation: Director (Finance) DIN: 03588092	September 01, 2011	May 31, 2016	Attaining the age of superannuation.
3.	Shri S. Manoharan Designation: Independent Director DIN: 03521659	July 05, 2013	July 4, 2016	Completion of tenure
4.	Shri P. K. Bajaj Designation: Independent Director DIN: 02216069	July 05, 2013	July 4, 2016	Completion of tenure
5.	Shri S. Raghunath Designation: Independent Director DIN: 00458251	July 05, 2013	July 4, 2016	Completion of tenure
6.	Smt Bharathi S. Sihag Designation: Government Nominee Director DIN: 02154196	March 16, 2015	November 11, 2016	Resigned consequent upon her appointment in the Dept. of fertilizers and release from the Ministry of Steel. GoI
7.	Shri B. K. Sahoo Designation: Independent Director DIN: 02216069	January 30, 2014	January 29, 2017	Completion of tenure
8.	Smt. Urvilla Khati Designation: Government Nominee Director DIN: 07011413	November 06, 2014	July 15, 2015	Ministry of Steel, GoI Order dated July 15, 2015
9.	Shri. MV Subba Roa Designation: Director (Commercial) DIN: 06495576	February 01, 2013	January 29, 2018	Appointment as Chairman-cum- Managing Director w.e.f. January 30, 2018
10.	Shri Swapan Kumar Gorai Designation: Director (Finance) DIN: 07223221	November 11, 2016	Continuing	Appointment by Government of India
11.	Shri Vidyananda Naregundy Designation: Director (Production & Projects) DIN: 06729244	November 01, 2013	Continuing	Appointment by Government of India
12.	Shri Madhav Lal Designation: Independent Director DIN: 06547581	November 27, 2015	Continuing	Appointment by Government of India
13.	Shri Saraswati Prasad Designation: Government Nominee Director DIN: 07729788	February 8, 2017	Continuing	Appointment by Government of India
14.	Shri T. Srinivas Designation: Government Nominee Director DIN: 07238361	July 15, 2015	Continuing	Appointment by Government of India
15.	Dr. Deepika Sharma Designation: Independent Director DIN: 07734495	February 10, 2017	Continuing	Appointment by Government of India

S. No.	Name, Designation and DIN	Date of Joining/Appointment	Date of Cessation	Reason
16.	Shri MV Subba Rao Designation: Chairman-cum- Managing Director & Additional Director (Commercial) (Addl. Charge DIN: 06495576	January 30, 2018	Continuing	Appointment by Government of India

14.10 The buyback will not result in any benefit to the Directors of the Company/ Promoter and person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

No directors of the Company hold any Equity Shares as on the date of publication of the Public Announcement (i.e. September 20, 2018).

#### 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company, as extracted from the audited financial statements for last three financial years viz. 2018, 2017 and 2016 and unaudited financial results for three months period ended June 30, 2018 is detailed below:

Key Financials	(₹ in Lakh) Fo			
	For three months period ended June 30, 2018	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
		(Audite		i)

Particulars	For three months period ended June 30, 2018 (Limited Review)	For the year ended March 31, 2018 (Audited)	For the year ended March 31, 2017 (Audited)	For the year ended March 31, 2016 (Audited)
Book Value (₹ per Share)	33.76	33.82	33.12	32.50
Return on Net worth (%)	(0.17)	3.80	2.28	(3.89)
Total Debt/ Net worth (%)	0.00	0.00	0.00	0.00

**Notes:**

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings

**Key Ratios basis:**

Earnings per Share- Basic (₹)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year/period
Book Value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Networth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Long Term Debt/ Net Worth

- 15.3 The Company shall comply with the SEBI Takeover Regulations, as may be applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Companies Act, 2013 and the rules made thereunder

**16. STOCK MARKET DATA**

- 16.1 The Company's Equity Shares are listed on BSE, NSE and MSEI. The maximum volume of trading in the Equity Shares of the Company is recorded on NSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement (i.e. September 20, 2018) from March 2017 to August 2018 and the corresponding volumes on the BSE, NSE and MSEI is as follows:

**For NSE:**

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
<b>PRECEDING 3 YEARS</b>								
FY 2016	N.A.							
FY 2017 <sup>^</sup>	14.50	March 31, 2017	131,700	10.50	November 29, 2016	25	12.40	132,831
FY 2018	502.85	November 14, 2017	517,308	15.20	April 3, 2017	1	212.85	10,850,564
<b>PRECEDING 6 MONTHS</b>								
March 2018	291.85	March 1, 2018	21,157	200.00	March 20, 2018	38,214	234.33	1,515,749
April 2018	316.70	April 4, 2018	892,409	210.00	April 2, 2018	102,489	266.53	3,097,101
May 2018	260.00	May 2, 2018	98,543	204.00	May 28, 2018	39,195	222.82	1,307,395
June 2018	234.90	June 15, 2018	232,631	171.50	June 5, 2018	53,543	198.12	903,245
July 2018	199.80	July 2, 2018	21,983	158.45	July 20, 2018	21,374	182.95	424,188
August 2018	193.85	August 17, 2018	434,830	160.00	August 16, 2018	13,008	169.47	1,190,127

N.A.: Not Available

Source: www.bseindia.com

\*High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

^The Equity Shares of the Company was listed on November 29, 2016 on NSE.

**For BSE:**

Period	High* (₹)	Date of High	Number of Shares traded on that date	Low* (₹)	Date of Low	Number of shares traded on that date	Average Price* (₹)	Total volume of traded in the period (Shares)
<b>PRECEDING 3 YEARS</b>								
FY 2016	N.A.							
FY 2017^	N.A.							
FY 2018	506.45	November 14, 2017	213,552	84.10	August 22, 2017	15,121	294.55	2,868,992
<b>PRECEDING 6 MONTHS</b>								
March 2018	291.75	March 1, 2018	3,245	200.05	March 20, 2018	7,222	235.35	303,596
April 2018	317.35	April 4, 2018	151,030	211.30	April 2, 2018	17,493	266.49	543,420
May 2018	258.60	May 2, 2018	12,429	205.05	May 25, 2018	5,895	222.57	183,062
June 2018	242.15	June 14, 2018	6,703	173.80	June 6, 2018	3,472	198.16	128,529
July 2018	199.00	July 2, 2018	2,455	158.55	July 20, 2018	420	182.81	63,023
August 2018	192.95	August 17, 2018	85,955	151.10	August 1, 2018	11,987	169.12	216,676

N.A.: Not Available

Source: www.nseindia.com

\* High and Low price for the period are based on intra day prices and Average Price is based on average of closing price.

^The Equity Shares of the Company was listed on August 22, 2017 on BSE.

**For MSEI:**

The Equity Shares of the Company was listed on February 12, 2016 on MSEI. However, no Equity Shares of the Company are traded on the MSEI from the said listing date to the date of this Draft Letter of Offer.

16.2 The closing market price of the Equity Shares of the Company:

- As on September 17, 2018 i.e. the trading day before September 18, 2018, being the date of Board Meeting approving the Buyback was ₹ 234.20 per Equity Share on BSE and ₹ 233.90 per Equity Share on NSE.
- As on September 18, 2018, i.e. the date of Board Meeting approving the Buyback was ₹ 229.40 per Equity share on BSE and ₹ 229.00 per Equity share on NSE.
- As on September 19, 2018, i.e. the day immediately after September 18, 2018, being the date of Board Meeting approving the Buyback was ₹ 183.90 per Equity Share on BSE and ₹ 184.35 per Equity Share on NSE.
- As on September 20, 2018\*, i.e., the date of publication of Public Announcement was issued was ₹ 183.90 per Equity Share on BSE and ₹ 184.35 per Equity Share on NSE.

\*Since the date of publication of Public Announcement (i.e. September 20, 2018) was a trading holiday, the closing price of trading day preceding the date of publishing the Public Announcement i.e. September 19, 2018 has been mentioned.

**17. DETAILS OF STATUTORY APPROVALS**

17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act,

2013 , FEMA, the Buyback Regulations and/or such other applicable rules and regulations in force for the time being.

- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA and the rules and regulations framed thereunder read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI, subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as specified by RBI.
- 17.3 By agreeing to participate in the Buyback, the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company
- 17.4 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.5 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.
- 17.6 The Buyback has been approved by the Board of Directors in their meeting held on September 18, 2018.

## **18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER**

Eligible Shareholders holding Shares in dematerialized form and Shareholder Brokers (who have submitted bids on behalf of Eligible Shareholders holding shares in physical form) are required to send the Tender Form, TRS, physical share certificate (for physical Shareholders only) and other documents by superscribing the envelope as “**KIOCL Buyback Offer 2018**” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. [●]:

### **Integrated Registry Management Services Private Limited**

No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560003

**Contact Person:** Mr. S. Vijayagopal

**Tel:** +91 8023460815 to 818; Fax: +91 8023460819;

**E-mail:** irg@integratedindia.in;

**Website:** www.integratedindia.in;

**SEBI Registration Number:** INR000000544; **Validity Period:** Permanent

**CIN:** U74900TN2015PTC101466

Equity Shares proposed to be bought back represents 1.98 % of the total number of Equity Shares in the paid-up share capital of the Company. The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder, in accordance with Article 7A of the Articles of Association of the Company and the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size represents 9.99% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2018 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback).

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

19.2 The aggregate shareholding of the Promoter as on Record Date is [●] ([●]) Equity Shares, which represents [●] % ([●] percent) of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer process, the promoter and the promoter group of the company has the option to participate in the Buyback. In this regards, the promoter (the President of India acting through Ministry of Steel, Government of India) of the Company has expressed their intention, vide its letter dated September 18, 2018 to participate in the Buyback and propose to tender up to 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares.

19.3 Assuming that the above stated Promoter i.e. The President of India acting through Ministry of Steel, Government of India, tenders 1,25,88,235 (One Crore Twenty Five Lakh Eighty Eight Thousand Two Hundred Thirty Five) Equity Shares, in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoter, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.

19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder

a) The Buyback Committee in its meeting held on September 18, 2018 announced Monday, October 1, 2018 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.

b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:

- Reserved category for Small Shareholders (“**Reserved Category**”); and
- General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)

c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than ₹ 2,00,000 (Rupees Two Lakh only). As on the Record Date, the volume of Shares traded on NSE was [●] shares and on BSE was [●] Shares. Accordingly, [●] being the exchange with highest turnover, the closing price was ₹[●] and hence all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.

d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity share capital of the Company and [●]% of the number of [●] Equity Shares which are proposed to be bought back as part of this Buyback Offer.

e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:

- i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or

- ii. The number of Equity Shares entitled as per their shareholding as on Record Date [i.e.  $(\frac{[\bullet]}{[\bullet]}) \times [\bullet]$ ] which works out to  $[\bullet]$  Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter i.e. (the President of India, acting through Ministry of Steel, Government of India) also intends to offer Equity Shares held by them in the Buyback.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is  $[\bullet]$ , which is less than  $[\bullet]$  (higher of (i) and (ii) above) the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations,  $[\bullet]$  Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of  $[\bullet]$  Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
<b>Reserved Category</b>	$[\bullet]$ Equity Shares out of every $[\bullet]$ fully paid-up Equity Shares held on the Record Date
<b>General Category</b>	$[\bullet]$ Equity Shares out of every $[\bullet]$ fully paid-up Equity Shares held on the Record Date

#### 19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on 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 Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold  $[\bullet]$  or less Equity Shares as on 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 Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

#### 19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

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

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category ) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares

taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.

- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
- For any Small Shareholder, if the number of Additional 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.
  - For any Small Shareholder, if the number of Additional 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.

#### 19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e.100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category ) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
- For any Eligible Shareholder, if the number of Additional 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.
  - For any Eligible Shareholder, if the number of Additional 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.

#### 19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category ('**Partially filled Category**'), and there are additional unaccepted validly tendered Shares (' in the second Category ('**Over Tendered Category**'), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:

- For any Eligible Shareholder, if the number of Further Additional 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.
  - For any Eligible Shareholder, if the number of Further Additional 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.
- 19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:
- the number of Shares tendered by the respective Shareholder, and
  - the number of Shares held by the respective Shareholder, as on the Record Date.
- 19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.
- 19.11 Clubbing of Entitlements

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. 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 shareholders holding Physical Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are 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 to the Buyback as per the shareholder records received from the Depositories.

## **20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

- 20.1 The Buyback is open to all Eligible Shareholder(s) holding Shares either in physical and/or dematerialized form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer process, on a proportionate basis. This Letter of Offer and Tender Form, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date and who have their email IDs registered with the Company and for all remaining Eligible Shareholders who do not have their email IDs registered with the Company, the Letter of Offer along with Tender Form will be sent physically. However, on receipt of a request by the Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder to whom Letter of Offer and Tender Form were emailed, the same shall be sent physically.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court 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.
- 20.4 The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders

also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Draft Letter of Offer.

- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.7 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- 20.8 As elaborated under Paragraph 19.4(b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.9 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.10 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, Notice Number 20170202-34 dated February 02, 2017, from BSE and following the procedure prescribed in the Companies Act, 2013 and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.12 For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:



**IDBI Capital Markets & Securities Limited**

3<sup>rd</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai - 400021

**Contact Person:** Ms. Charushila Parkar

**Tel:** +91 (22) 4322 1212; **Fax:** +91 (22) 2285 0785;

**Email:** charushila.parkar@idbicapital.com; **Website:** www.idbicapital.com;

**SEBI Registration Number:** INZ000007237; **CIN:** U65990MH1993GOI075578

- 20.13 The Company will request BSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Shareholder Broker**”).
- 20.14 In the event Shareholder Broker(s) of Eligible Shareholder is not registered with BSE then that Eligible Shareholder can approach any BSE registered stock broker and can make a bid by using quick Unique Client Code (“**UCC**”) facility through that BSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Company’s Broker to bid by using quick UCC facility.



B. Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in paragraph 20.21.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

20.16 At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Shareholders.

20.17 Shareholder Broker can enter orders for demat Shares as well as physical Shares.

20.18 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

20.19 The cumulative quantity tendered shall be made available on BSE website- [www.bseindia.com](http://www.bseindia.com) throughout the trading session and will be updated at specific intervals during the Tendering Period.

20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

**20.21 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form**

Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback 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 Buyback. The Shareholder Broker would be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE.

Before placing the bid, the Eligible Shareholder would need to transfer the tendered Equity Shares to the special account of India Clearing Corporation Limited ("Clearing Corporation" / "ICCL"), by using the early pay in mechanism as prescribed by the BSE or the Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/bid entry. The details of the settlement number for the Buyback shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation. Modification/cancellation of orders will be allowed during the Tendering Period. The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the BSE and/or the Clearing Corporation.

For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period (Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, Number of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. [●] (by 5 PM). The envelope should be superscribed as “**KIOCL Buyback Offer 2018**”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian depository pool account.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity 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 death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

#### **20.22 Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in the Physical form**

Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback 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:

- a) The Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates
- c) Valid share transfer form(s) 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 favor of the Company.
- d) Self-attested copy of the PAN Card(s) of all Shareholders.
- e) Any other relevant documents such as (but not limited to):
  - i. Duly attested Power of Attorney if any person other than the Eligible Shareholder has signed the relevant Tender Form
  - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased

- iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

Based on these documents, the concerned Shareholder Broker shall place a bid on behalf of the Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, 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 Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

Any Shareholder Broker who places a bid for physical Equity Shares, is required to deliver Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph hereinabove) either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer not later than 2 (two) days from the Buyback Closing Date i.e. [●] (by 5 PM). The envelope should be superscribed as “**KIOCL Buyback Offer 2018**”. One copy of the TRS will be retained by Registrar to the Buyback Offer and it will provide acknowledgement of the same to the Shareholder Broker.

Eligible Shareholders holding physical shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard.

Registrar to the Buyback Offer 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 Buyback Offer confirms the bids, they will be treated as ‘Confirmed Bids’.

In case any person 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 Buyback Offer before the Buyback Closing Date.

#### 20.23 Additional requirements in respect of tenders by Non-resident shareholders

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
- a copy of the permission received by them from RBI at the time of the original acquisition of Shares
  - a letter from the 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 as specified by RBI in its approval.
  - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.
- 20.24 Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buyback Offer in any way. Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Tender Form downloaded from SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or obtain a duplicate copy of the same by writing to the Registrar to the Buyback Offer. Please note that the Company shall accept Equity Shares validly tendered for the Buyback Offer on the basis of their holding and entitlement as appearing in the records of the Company as on the Record Date.
- 20.25 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 20.26 The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.
- 20.27 **In case of non-receipt of the Letter of Offer / Tender Form:**
- a) **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. [www.kioclltd.in](http://www.kioclltd.in) or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b) **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Buyback Offer by providing an application in writing on a plain paper signed by all Eligible Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s), executed share transfer form in favour of the Company and other necessary documents. The transfer form SH-4 can be downloaded from the Company's website i.e. [www.kioclltd.in](http://www.kioclltd.in) Shareholders/ Shareholder Broker must ensure that the Tender Form, along with TRS and the requisite documents, reach the Registrar to the Buyback Offer no later than 2 (two) days from the Buyback Closing Date [●], 2018 (by 5 P.M). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buyback Offer.

**Eligible Shareholder(s)**

**mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.**

**Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by BSE before the Buyback Closing Date, otherwise the same are liable to be rejected.**

**20.28 Acceptance of orders**

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

**20.29 Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The Company will pay the consideration to the Company's Broker on or before the pay-in date for

- settlement. For Equity Shares accepted under the Buyback, the Shareholder will receive funds payout in their bank account from Clearing Corporation. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.
- (ii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the “**Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the BSE.
  - (iii) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The custodian participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
  - (iv) Equity Shares in Physical form, to the extent tendered but not accepted, will be returned back to the concerned Shareholders directly by Registrar to the Buyback Offer. The Company will issue a new single share certificate for all the unaccepted and excess physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted and excess / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders’ sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than [●], 2018.
  - (v) Every Shareholder Broker who puts in a valid bid on behalf of an Eligible Shareholder, would issue a contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company’s Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
  - (vi) Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Shareholder Broker, in respect of accepted Equity Shares, could be net of such costs, applicable taxes charges and expenses (including brokerage) and the Manager to the Buyback Offer and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
  - (vii) The Equity Shares lying to the credit of the 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 Buyback Regulations and Companies Act, 2013.

### **20.30 Settlement of Funds/Payment Consideration**

The settlements of fund obligation for dematerialised and physical Equity Shares shall be effected as per the SEBI circulars and as prescribed by Exchange and Clearing Corporation from time to time.

For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Shareholder’s bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholders’ bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers’ settlement bank account for onward transfer to their respective Eligible Shareholders.

### **20.31 Special Account opened with the Clearing Corporation**

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the BSE or ICCL.

## 20.32 Rejection Criteria

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

For Eligible Shareholders holding shares in the dematerialized form if:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder.

For Eligible Shareholders holding Equity Shares in the physical form if:

- a. 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 the close of business hours of [●], 2018 ([●]) by 5:00 p.m.;
- b. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

## 21. NOTE ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

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

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE 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.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

The below provisions of Income Tax Act, 1961 (“Income Tax Act”) are based on the latest enactment under Finance Act, 2018 and applicable only to the financial year 2018-19 corresponding to assessment year 2019-20

### 1. CLASSIFICATION OF INCOME

- i. Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:
  - Shares held as investment (Income from transfer taxable under the head “Capital Gains”)

- Shares held as stock-in trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

## 2. CLASSIFICATION OF SHAREHOLDERS- Shareholders can be classified under the following categories

### a. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

### b. Non Resident Shareholders being:

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs)
- Others:
  - Company
  - Other than Company

## 3. SHARES HELD AS INVESTMENT

As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of Section 48 of the Income Tax Act. The provisions of Buyback tax under Section 115QA in Chapter XIIDA of the Income Tax Act do not apply for shares listed on the stock exchange.

### i) Period of holding

The taxability as per the provisions of the Income Tax Act is discussed below.

#### a. Nature of capital gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act for the purpose of determining as to whether the capital gains are short-term or long-term in nature:

- Where a capital asset, being listed equity shares of the Company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
- Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long-term capital asset and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

### ii) Buy back of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax (‘STT’). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

The taxability of buyback proceeds in the hands of the eligible shareholder should be as under:

- As per the provisions of the ITA as amended by the Finance Act, 2018, the exemption to LTCG provided u/s. 10(38) of ITA has been withdrawn and tax is levied on LTCG exceeding ₹1 Lac in a financial year arising on transfer of listed equity shares @ 10% without allowing the benefit of indexation. However, gains accrued on such equity shares till 31st January, 2018 have been exempted by providing that the cost of acquisition in respect of such equity shares which would be transferred on or after 1st April, 2018 shall be higher of i) the actual cost of acquisition of such equity shares acquired before 1st February, 2018 or ii) the lower of a) the highest price of such

equity shares quoted on the recognised stock exchange on the 31st January, 2018; or b) the actual sale value of such equity shares.

However, as per a draft notification issued on 24th April, 2018, an exemption from the requirement of STT being paid at the time of acquisition of shares, is sought to be provided to certain modes of acquisition including acquisition of shares by a non-resident under the FDI policy and acquisition of unlisted shares subsequently listed on the stock exchange. Once such exceptions are notified, if acquisition is made in such specified modes, the rates specified above shall continue to apply, even if no STT was paid at the time of acquisition of the shares.

If STT is not paid at the time of acquisition of the shares being bought back, entire LTCG arising to the shareholder shall be subject to tax @ 10% under Section 112 of the IT Act (or 20% after claiming indexation benefit which is relevant in case of resident shareholders).

- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the Income Tax Act.
- iii) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under Section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, surcharge, health and education cess are leviable
- iv) Further in case of Eligible Shareholders being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses, etc. for the year.
- v) For non-residents, taxability of capital gains would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”) entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange.

#### **4. SHARES HELD AS STOCK-IN-TRADE**

- i. If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profit and Gains from Business or profession”. In such a case, the provisions of section 46A of the Income Tax Act would not apply.

##### **ii. Resident Shareholders**

- For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- Domestic company having turnover or gross receipts not exceeding Rs. 250 Crore in the previous year i.e. 2016 -17 would be taxable @ 25%
- For persons other than individuals, HUF, AOP, BOI profits would be taxable at the rate of 30%.

No benefit of indexation by virtue of period of holding would be available in any case.

##### **iii. Non Resident Shareholders**

- For Non Residents, taxability of profits as business income would be subject to beneficial provisions of applicable DTAA entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.
- Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates
- For foreign companies, profits would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

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

## **5. TAX DEDUCTION AT SOURCE**

### **i. In case of Resident Shareholders**

In absence of any specific provision under the Income Tax Act, the Company is not required deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.

### **ii. In the case of Non-Resident Shareholders**

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore commended that non-

**ii. Cess:**

- a. Health and education cess @ 4% is leviable in all cases.

**7. GENERAL**

- a) The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares.
- b) Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

**8. THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.**

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

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. Hence you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

**22. DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:

The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. September 18, 2018. Subsequently, pursuant to the authority granted to the Buyback Committee by the Board of Directors of the Company, in terms of resolutions dated September 18, 2018, the Buyback Committee has confirmed on behalf of Board of Directors that:

- i. The Board of Directors of the Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
- a. Immediately following the date of the Board Meeting on September 18, 2018 and the date of this Draft Letter of Offer, 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 the Board Meeting and the date of this Draft Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Draft Letter of Offer, as the case may be;
- c. In forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Buyback Committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on September 27, 2018.

For and on behalf of the **Board of Directors of Company**

Sd/- M V Subba Rao Chairman-cum-Managing Director (DIN: 06495576)	Sd/- Swapan Kumar Gorai Director (Finance) (DIN: 07223221)
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23.

- (iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on 18<sup>th</sup> September 2018, is unreasonable in all the circumstances in the present context.
- (iv) The Board of Directors in their meeting held on 18<sup>th</sup> September 2018, have formed the opinion in terms of Clause (xi) of Schedule I of the Buyback Regulations, on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.
- (v) 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.

The compliance with the provisions of the Companies Act, 2013 and Buyback Regulations is the responsibility of the Company's management. Our responsibility is to report on the amount of permissible capital for the buyback and report that the audited accounts on the basis of which calculation with reference to buyback is done and read the resolution of the Board of Directors for the meeting held on 18<sup>th</sup> September 2018 referred to in paragraph (i) and (v) above.

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include it in public announcement, draft letter of offer and letter of offer to be circularised to the shareholders and filed with various regulatory agencies and providing to parties including the Manager to the offer, in connection with Buyback and should not be used for any other purpose or by any other person.

Yours faithfully,

**For Anand and Ponnappan**  
**Chartered Accountants**  
Firm Registration Number: 000111S

*Sd/-*

Name: R Ponnappan  
Designation: Partner  
Membership No.: 021695  
Place: New Delhi  
Date: 18<sup>th</sup> September 2018"

**Unquote**

## **24. DOCUMENTS FOR INSPECTION**

The following material documents are available for inspection by shareholders of KIOCL Limited at the Registered Office: KIOCL Limited, II Block, Koramangala, Bangalore – 560 034, Karnataka, India, from 10:00 a.m. IST to 5:00 p.m. IST on all working days except 2nd & 4th Saturday, Sunday and public holidays, during the Tendering Period.

- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of KIOCL Limited;
- iii. Copy of the annual reports KIOCL Limited for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and unaudited financial results approved by Board of Directors for the three months ended June 2018;
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on September 18, 2018 approving proposal for Buyback;
- v. Copy of Report dated September 18, 2018 received from Anand and Ponnappan & Co., Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- vi. 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, 2013;
- vii. SEBI Comments vide letter no.[●] dated [●];
- viii. Copy of Escrow Agreement dated [●], 2018 between KIOCL Limited, [●] and IDBI Capital Markets &

Securities Limited;

- ix. Copy of the certificate from Anand and Ponnappan & Co., Chartered Accountants, the Statutory Auditors, the Statutory Auditors of the Company, dated September 24, 2018 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated September 19, 2018 published in the newspapers on September 20, 2018 regarding Buyback of Equity Shares;
- xi. Opinion dated September 19, 2018 obtained by the Company on taxation.

## 25. DETAILS OF COMPLIANCE OFFICER

Sri Suvendu Kumar Padhi,  
Company Secretary  
KIOCL Limited, II Block, Koramangala, Bangalore – 560 034, Karnataka, India  
**Tel:** 080-25531525; **Fax:** 080-25532153-5941;  
**Email:** cs@kioclltd.com;  
**Website:** www.kioclltd.in

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. IST to 5:00 p.m. IST on all working days except 2nd & 4th Saturday, Sunday and public holidays.

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- i. In case of any grievances relating to 9 rac of 9

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**Tel:** +91 (22) 4322 1212; **Fax:** +91 (22) 22850785;  
**E-mail:** kiocl.buyback@idbicapital.com;  
**Website:** www.idbicapital.com;  
**SEBI Registration No.:** INM000010866; **Validity Period:** Permanent;  
**CIN:** U65990MH1993GOI075578

## **29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER**

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirms that the information in this Draft Letter of Offer contain true, factual and material information and does not contain any misleading information. The Draft Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on September 27, 2018.

For and on behalf of the Board of Directors of  
**KIOCL Limited**

Sd/-  
M V Subba Rao  
Chairman-cum-Managing Director  
(DIN: 06495576 )

Sd/-  
Swapan Kumar Gorai  
Director (Finance)  
(DIN: 07223221)

Sd/-  
Suvendu Kumar Padhi  
Company Secretary  
(Membership No: ACS 12329)

Date: September 27, 2018

Place: Bengaluru

Enclosure:

1. Tender Form for Demat Shareholders
2. Tender Form for Physical Shareholders