# KEYNOTE



Ref # Buyback/SHK/Let-SEBI&SE/Am(02)

June 12, 2019

The Manager

**BSE Limited** 

Department of Corporate Services, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

Dear Sir,

Reg: Proposed Buy-Back of equity shares by S H Kelkar and Company Limited (the "Company")

006657

We are pleased to inform you that our services have been retained by S H Kelkar and Company Limited to act as the Manager to the proposed Buy-Back of equity shares to be undertaken by the Company.

The Board of Directors of the Company in their meeting held on June 10, 2019 approved the proposal of Buy-Back of up to 33,00,000 fully paid-up equity shares of ₹ 10/- each at a price of ₹180/- (Rupees One Hundred and Eighty Only) per equity share for a total consideration of ₹59,40,00,000 (Rupees Fifty Nine Crore Forty Lakhs only) from the equity shareholders of the Company as on the Record Date, on a proportionate basis through the "Tender Offer" route.

A Public Announcement in terms of Regulation 7 of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 in respect of the Offer for Buy-Back of equity shares has been published today i.e. June 12, 2019 in Financial Express - English National Daily, Jansatta (Hindi) — Hindi Daily and Mumbai Lakshadweep - Regional language Daily (Marathi).

In this regard we are enclosing herewith the following:

- Hard copy of the public announcement as published in the newspaper
- Copy of the Board Resolution passed on June 10, 2019

We request you to kindly take the above on record.

Thanking you and assuring you of our best co-operation at all figures.

Yours sincerely,

For KEYNOTE FINANCIAL SERVICES LIMITED

Uday S. Patil

Director -Investment Banking

Keynote Financial Services Limited



# S H KELKAR AND COMPANY LIMITED

Registered Office: 36, Devkaran Mansion, Mangaldas Road, Mumbai, Maharashtra, 400002; Tel. No. 022-21649143/ 22069609, Website: www.keva.co.in Email: investors@keva.co.in; Contact Person: Ms. Deepti Chandratre, Company Secretary & DGM Legal

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF S H KELKAR AND COMPANY LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "Buyback Regulations" for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II to the Buyback Regulations.

OFFER FOR BUYBACK OF UPTO 33,00,000 (THIRTY THREE LAKHS) FULLY PAID UP EQUITY SHARES OF S H KELKAR AND COMPANY LIMITED ("SH KELKAR"/"THE COMPANY") OF FACE VALUE OF ₹10/- (INDIAN RUPEES TEN ONLY) EACH AT A PRICE OF ₹180/- (RUPEES ONE HUNDRED AND EIGHTY ONLY) PER FULLY PAID UP EQUITY SHARE FOR AN AGGREGATE MAXIMUM CONSIDERATION NOT EXCEEDING ₹59,40,00,000/ (RUPEES FIFTY NINE CRORES FORTY LAKHS ONLY) IN CASH ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE USING THE STOCK EXCHANGE MECHANISM

### Details of the Buyback offer

The Board of Directors (the "Board", which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized committee thereof) of S H Kelkar passed a resolution on June 10, 2019 ("Board Meeting") to approve the proposal of buyback of upto 33,00,000 (Thirty Three Lakhs) fully paid-up equity shares of face value of ₹10/- each ("Shares" or "Equity Shares") from the equity shareholders of the Company as on Record Date (hereinafter defined), on a proportionate basis, through tender offer route ("Buyback") at a price of ₹180/- (Rupees One Hundred and Eighty Only) per Equity Share ("Buyback Price"/"Buyback Offer Price") payable in cash, for an aggregate maximum consideration not exceeding ₹59,40,00,000/- (Rupees Fifty Nine Crores Forty Lakhs Only) excluding the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors fees, public announcement expenses, printing and dispatch expenses and other incidental and related expenses etc. (the "Buyback Offer Size").

The proposed Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the "Share Capital Rules") to the extent applicable and in accordance with Article 10 of the Articles of Association of the Company, and subject to the provisions of the Buyback Regulations and such other approvals, permissions as may be required from time to time from the Stock Exchanges i.e BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") where the Equity Shares of the Company are listed and from any other statutory and/or regulatory authority, as may be required and which may be agreed to by the Board and/or Audit Committee thereof. The proposed Buyback would be undertaken in accordance with SEBI 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 (the "SEBI Circulars"), which prescribes mechanism for acquisition, tendering and settlement of shares through stock exchange pursuant to the Buyback. In this regard, the Company will request BSE to provide the acquisition window. For the purpose of the proposed Buyback, BSE would be the Designated Stock Exchange.

The proposed Buyback is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws including the Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), BSE and NSE and the United States Securities and Exchange

The proposed Buyback offer size is ₹59,40,00,000/- (Rupees Fifty Nine Crores Forty Lakhs Only) which is 9.96% and 7.17% of the fully paid-up equity share capital and free reserves respectively as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 (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 fully paid-up equity share capital and free reserves as per audited standalone and consolidated financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act. Further the Company proposes to Buyback up to 33,00,000 (Thirty Three Lakhs) Equity Shares representing 2.28% of the total number of fully paid up Equity Shares of the Company, which is within the 25% limit as per the provisions of the Companies Act.

The maximum amount required by the Company for the proposed Buyback aggregating to ₹59,40,00,000/-(Rupees Fifty Nine Crores Forty Lakhs Only), is within permitted limits. The funds for the proposed Buyback will be met out of internally generated cash resources of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the fully paid-up share capital and free reserves after the proposed Buyback.

The Buyback Price is ₹180/- (Rupees One Hundred and Eighty Only) per equity share. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE and NSE where the Equity Shares are listed, the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share. The equity shares are being offered for Buyback at a premium of 23.03% & 23.25% over the closing price of equity shares on BSE and NSE on the date of Board meeting to consider the proposal for

The proposed Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" route, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. (Please see Paragraph (xv) below for details regarding record date and share entitlement for tender in the Buyback)

The Buyback Offer Size does not include the transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printing and dispatch expenses and other incidental and related expenses etc.

In accordance with Regulation 9(xi) of the Buyback Regulations, the Company has appointed HDFC Bank Limited as the Escrow Agent for the aforementioned Buyback and an Escrow Account in the name and style "S H Kelkar and Company Limited – Buyback 2019 - Escrow Account" has been opened with the Escrow Agent. The Company has deposited an amount of ₹15,00,00,000 (Fifteen Crores Only) in the Escrow Account, being more than 25% of

A copy of this Public Announcement is available on the Company's website (<a href="www.keva.co.in">www.keva.co.in</a>) and is expected to be available on the website of SEBI (<a href="www.sebi.gov.in">www.sebi.gov.in</a>) and on the website of BSE (<a href="www.bseindia.com">www.bseindia.com</a>) and NSE (www.nseindia.com).

## Necessity for the Buyback

The Company believes that Buyback is an efficient way of rewarding the long term shareholders especially the

The optimization of capital structure due to resultant reduction in the paid up equity share capital will result in creating long term value for the shareholders and enhancing the overall returns

The buyback would give an option to the shareholders to either participate in the buyback and receive cash in lieu of Equity Shares accepted under the buy-back or not participate in the buyback based on their liquidity and long term plans. Buyback involves allocating to the small shareholders the higher of a) number of shares entitled as per their

holding or b) 15% of the number of shares to be bought back, reserved for the small shareholders

#### Maximum amount required under the Buyback & its percentage of the total paid-up capital and free reserves and the sources of funds from which the Buyback would be financed:

The aggregate fully paid-up equity share capital and free reserves as per latest audited balance sheet of the Company for the financial year ended March 31, 2019 on standalone and consolidated basis is ₹596.33 crores and ₹828.90 crores respectively. The funds deployed for proposed Buyback shall not exceed 10% of the aggregate fully paid-up equity share capital and free reserves of the Company under the Board approval route, as provided under the proviso to Section 68(2)(b) of the Companies Act. Accordingly, the maximum amount that can be utilised in the proposed Buyback as approved by the board is ₹ 59,40,00,000 which is within the maximum permissible amount as aforesaid and which represents 9.96% & 7.17% of the fully paid-up equity share capital and free reserves as per latest audited standalone and consolidated balance sheet of the Company for the financial year ended March 31, 2019 respectively. This amount excludes any transaction costs such as securities transaction tax, GST, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses, printin and dispatch expenses and other incidental and related expenses.

Further, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 3,61,55,200 (Three Crores Sixty One Lakhs Fifty Five Thousand Two Hundred) Equity Shares. Since the Company proposes to Buyback up to 33,00,000 (Thirty Three Lakhs) Equity Shares, the same is within the aforesaid 25% limit.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company and no funds will be borrowed from Banks and Financial Institutions for 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 details of such transfer shall be disclosed in its subsequent audited financial statement. The Company confirms that as required under Section 68(2)(d) of the Companies Act and Regulation 4 (ii) of

Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company will not be

### more than twice the paid up equity share capital and free reserves after the Buyback. ${\it Maximum\,Buyback\,Price\,and\,the\,basis\,of\,arriving\,at\,the\,Maximum\,Buyback\,Price:}$

The Buyback Price shall be ₹180/- (Rupees One Hundred and Eighty Only) per equity share of ₹ 10/- each. The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE and NSE where the Equity Shares are listed the networth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the Earnings Per Share. The equity shares are being offered for Buyback is at a premium of 23.03% & 23.25% over the closing price of equity shares on BSE & NSE respectively, on the date of Board meeting to consider the proposal for Buyback

Number of shares that the Company proposes to Buyback and the time limit for completing the Buyback: The Company proposes to Buyback up to 33,00,000 (Thirty Three Lakhs) fully paid up Equity Shares of face value ₹10/- per equity share. The buy-back is proposed to be completed within 12 months from the date of passing the board resolution approving the proposed buy-back.

## Method to be adopted for Buy back:

The equity shares shall be purchased through Buyback by the Company using Tender Offer' route as prescribed under "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 following the procedure prescribed in the Companies Act 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.

#### a) The aggregate shareholding of the promoter and of the directors of the promoters, where the promote is a company and of the persons who are in control of the Company as on the date of the meeting of board of directors (i.e June 10, 2019) is as follows: The aggregate shareholding of the Promoter and Promoter Group and the persons who are in control of the

| Sr. No | Name of the Shareholder                 | Number of Shares | % w.r.t total<br>share/voting<br>capital wherever<br>applicable | % of total diluted<br>share/voting<br>capital of<br>the Company |
|--------|---|------------------|---|---|
|        | Promoters, Promoter Group               |                  |   |   |
| 1      | Ramesh Vinayak Vaze                     | 25,965,600       | 17.95   | 17.95   |
| 2      | Kedar Ramesh Vaze                       | 14,215,100       | 9.83  | 9.83  |
| 3      | Prabha Ramesh Vaze                      | 5,014,514        | 3.47  | 3.47  |
| 4      | Nandan Kedar Vaze                       | 1,325,000        | 0.92  | 0.92  |
| 5      | Parth Kedar Vaze                        | 1,325,000        | 0.92  | 0.92  |
| 6      | Anagha Sandeep Nene                     | 1,522,600        | 1.05  | 1.05  |
| 7      | Neha Kedar Karmarkar                    | 761,250          | 0.53  | 0.53  |
| 8      | Nishant Kedar Karmarkar                 | 761,250          | 0.53  | 0.53  |
| 9      | Sumedha Kedar Karmarkar                 | 150              | Negligible  | Negligible  |
| 10     | Nihar Sandeep Nene                      | 0                | 0.00  | 0.00  |
| 11     | KNP Industries Pte Limited              | 15,324,000       | 10.60   | 10.60   |
| 12     | Keva Constructions Pvt Ltd              | 11,013,757       | 7.62  | 7.62  |
| 13     | Vinayak Ganesh Vaze Charities           | 2,030,000        | 1.40  | 1.40  |
| 14     | ASN Investment Advisors Private Limited | 1,522,500        | 1.05  | 1.05  |
| 15     | SKK Industries Private Limited          | 1,522,500        | 1.05  | 1.05  |
| 16     | Kedar Ramesh Vaze Family Trust          | 100              | Negligible  | Negligible  |
| 17     | Ramesh Vinayak Vaze Family Trust        | 100              | Negligible  | Negligible  |
|        | TOTAL                                   | 82,303,421       | 56.92   | 56.92   |

| Sr.no | Name of the promoter Company            | Name of Director | No. of Shares<br>held in SH Kelkar | Percentage (%) |
|-------|---|------------------|------------------------------------|----------------|
| 1     | Keva Constructions Private Limited      | 1. Mr. Ramesh    |                                    |                |
|       |   | Vinayak Vaze     | 25,965,600                         | 17.95          |
|       |   | 2. Mrs. Prabha   |                                    |                |
|       |   | Ramesh Vaze      | 5,014,514                          | 3.47           |
|       |   | 3. Mr. Kedar     |                                    |                |
|       |   | Ramesh Vaze      | 14,215,100                         | 9.83           |
| 2     | ASN Investment Advisors Private Limited | 1. Mrs. Prabha   |                                    |                |
|       |   | Ramesh Vaze      | 5,014,514                          | 3.47           |
|       |   | 2. Mrs. Anagha   |                                    |                |
|       |   | Sandeep Nene     | 1,522,600                          | 1.05           |
| 3     | SKK Industries Private Limited          | 1. Mrs. Prabha   |                                    |                |
|       |   | Ramesh Vaze      | 5,014,514                          | 3.47           |
|       |   | 2. Mrs. Sumedha  |                                    |                |
|       |   | Kedar Karmarkar  | 150                                | 0.00           |
| 4     | KNP Industries Pte Limited              | 1. Mr. Ramesh    |                                    |                |
|       |   | Vinayak Vaze     | 25,965,600                         | 17.95          |
|       |   | 2. Mr. Kedar     |                                    |                |
|       |   | Ramesh Vaze      | 14,215,100                         | 9.83           |

Directors, of the Promoter Group companies, during the period from six months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Public announcement, except for the following transactions.

| 29.01.2019 |            |   |  |
|------------|------------|---|--|
| 29.01.2019 | 2,50,000   | On market Acquisition of<br>Equity Shares                                     | 4,04,75,076.48/-   |
| 18.02.2019 | 7,22,500   | Off market transfer of<br>shares by way of gift to<br>Anangha Sandeep Nene    | N.A.   |
| 18.02.2019 | 7,22,500   | Off market acquisition of<br>shares from Nihar Sandeep<br>Nene by way of gift | N.A.   |
| _          | 18.02.2019 | 18.02.2019 7,22,500   | 18.02.2019 7,22,500 Off market transfer of shares by way of gift to Anangha Sandeep Nene 18.02.2019 7,22,500 Off market acquisition of shares from Nihar Sandeep |

In terms of the Buyback Regulations, under the Tender Offer route, the Promoter and Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoter and Promoter Group of the Company have expressed their intention vide their letters dated June 10, 2019 to participate in the Buyback and offer up to 33,00,000 (Thirty Three Lakhs) equity shares in aggregate or any such lower number of shares as required in compliance with the Buyback Regulations/terms of the Buyback. The details of intention of Promoter

and Promoter Group to tender their equity shares in the Buyback offer as received by the Company is as follows:-

Maximum number of Sr.no Name of Promoter/Promoter Group No. of Shares held Shares to be tendered Ramesh Vaze 25.965.600 3.300.000 Kedar Vaze 14.215.100 3.300.000 Prabha Vaze 5.014.514 3.300.000 4 Parth Vaze 1.325.000 1.325.000 1.325.000 1.325.000 Nandan Vaze Neha Karmarkar 761.250 761.250 761,250 Nishant Karmarkar 761,250 Sumedha Karmarkai 150 150

1,522,600 1,522,600 Anagha Nene 10 Vinavak Ganesh Vaze Charities 2,030,000 2,030,000 11 Keva Constructions Pvt. Ltd. 11,013,757 3,300,000 ASN Advisors Pvt. Ltd. 1,522,500 1,522,500 SKK Industries Pvt. Ltd 1,522,500 1,522,500 14 KNP Industries Pte. Ltd. 15,324,000 3,300,000 82,303,221 In order to be in compliance with Regulation 10(4)(C) of SEBI (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011, the Promoter Directors/Directors belonging to Promoter Group i.e Mr. Ramesh Vaze, Mrs. Prabha Vaze and Mr. Kedar Vaze did not participate in the discussion on proposed Buyback of shares (including approval thereof) in the board meeting dated June 10, 2019. Details of the date and price of acquisition of the equity shares from which the Promoter / Promoter Group entities

intend to tender their equity shares are set-out below Name of Date of Number of Nominal Nature of Transactions Shares Promoter/ Acquisition Value Transfer Promoter Price Group 18.10.1955 1.000 1.000 Shares allotted as fully Ramesh 25 Vaze paid up for consideration other than cash by virtue of an agreement dated 8-8-1955 29.03.1961 10 1,000 1,000 10,000 | Preferential Allotment 26.03.1962 20 1.000 1,000 20.000 Preferential Allotment 26.03.1962 20 1,000 1,000 20,000 Preferential Allotment 26.03.1962 20 1.000 1,000 20.000 Preferential Allotment 26.03.1962 10 1.000 1,000 10.000 Preferential Allotment 30.05.1978 25 1.000 1,000 25,000 Preferential Allotment 01.12.1978 120 1.000 Nil Nil Bonus Shares Nil Bonus Shares 30.03.1988 240 1.000 Nil 24.05.1990 480 1.000 Nil Nil Bonus Shares 30.11.1995 240 1.000 1.000 240.000 Rights Issue 200.000 16.09.1997 200 1.000 1.000 Rights Issue 05.11.1997 1.400 1.000 Nil Nil Bonus Shares 1.400.000 14.05.2002 1.400 1.000 1.000 Rights Issue 16.11.2004 1,849 1,000 1,000 1,849,000 Preferential Allotment 14.09.2010 978 66,462 65,000,000 1,000 Transfer of shares by Bonus Shares issued 28.06.2012 1,890 1,000 nursuant to conversion of CCPS C 08.08.2012 2.748 1,000 1.000 2,748,000 Preferential Allotment .000.000 22.08.2014 1,000 4,726,000 Transferred pursuant to 4,726 1,000 dissolution of the Kedar Vaze Family Trust TOTAL 17.401 17,401 equity shares of FV of ₹1000/- each were sub-divided into 17,40,100 equity shares of FV of ₹10/- each on 18.09.2014. Out of 17,40,100 shares 1,000 shares were sold 22.08.2014 1,739,100 18.09.2014 | 15.651.900\* 10 Nil Nil Bonus Issue Maximum number of Equity Shares intended to be tendered 3,300,000 1,560,900 equity shares to be tendered out of 15,651,900 equity shares Prabha 18.09.2014 7,516,800\* 10 Nil Nil Bonus Issue Maximum number of Equity Shares intended to be tendered 3,300,000 Vaze \*3,300,000 equity shares to be tendered out of 7,516,800 equity shares 10 Kedar Vaze 18.09.2014 | 13.972.500\* Nil Bonus Issue Maximum number of Equity Shares intended to be tendered 3,300,000 3,300,000 equity shares to be tendered out of 13,972,500 equity shares Parth Vaze 26.02.2014 Allotment 1,325 1,000 1,325,000 Nil 11,925,000 18.09.2014 1.192.500 10 Bonus Issue Maximum number of Equity Shares intended to be tendered 1,193,825 10 Allotment Nandar 26.02.2014 1,325 1,000 1,325,000 18.09.2014 1.192.500 10 Nil 11,925,000 Bonus Issue Vaze 1,193,825 Maximum number of Equity Shares intended to be tendered Neha 12.03.2015 761,250 10 7,612,500 Transferred by Prabha 10 Karmarkar Ramesh Vaze Family Nishant Karmark

|          |                 |                                 |                |                  |                 | Trust  |
|----------|-----------------|---------------------------------|----------------|------------------|-----------------|--|
|          | Maximum nu      | mber of Equit                   | y Shares inter | nded to be ten   | dered           | 761,250  |
| t<br>kar | 12.03.2015      | 761,250                         | 10             | 10               | 7,612,500       | Transferred by Prabha<br>Ramesh Vaze Family<br>Trust |
|          | Maximum nu      | mber of Equit                   | y Shares inter | nded to be ten   | dered           | 761,250  |
|          | 18.09.2014      | 15,411,600 *                    | 10             | Nil              | Nil             | Bonus Issue  |
| es       |                 | mber of Equit                   |                |                  |                 | 3,300,000  |
|          | *3,300,000 eq   | uity shares to                  | be tendered οι | it of 15,411,600 | 0 equity shares |  |
| (<br>1   | 30.03.1968      | 50                              | 1,000          | Nil              | Nil             | Transferred from<br>Shri V G Vaze                    |
| es       | 30.03.1968      | 10                              | 1,000          | Nil              | Nil             | Transferred from<br>Shri V G Vaze                    |
|          | 30.03.1968      | 20                              | 1,000          | Nil              | Nil             | transferred from<br>Shri G D Kelkar                  |
|          | 30.03.1968      | 10                              | 1,000          | Nil              | Nil             | Transferred from<br>Shri S V Vaze                    |
|          | 30.03.1968      | 10                              | 1,000          | Nil              | Nil             | Transferred from<br>Shri R V Vaze                    |
|          | 01.12.1978      | 100                             | 1,000          | NA               | NA              | Bonus issue  |
|          | 30.03.1968      | 200                             | 1,000          | NA               | NA              | Bonus issue  |
|          | 24.05.1990      | 400                             | 1,000          | NA               | NA              | Bonus issue  |
|          | 05.11.1997      | 800                             | 1,000          | NA               | NA              | Bonus issue  |
|          | 28.06.2012      | 430                             | 1,000          | NA               | NA              | Bonus issue  |
|          | TOTAL           | 2,030                           |                |                  |                 |  |
|          |                 | hares of FV of<br>on 18.09.2014 |                | were sub-divid   | ed to 203,000 e | quity shares of FV                                   |
|          | Upto 28.06.2012 | 203,000                         | 10             | -                | -               | -  |

KNP

Industrie

Pte Ltd

Vinayak

Ganesh Vaze Charities

Keva

Pvt Ltd

18.09.2014

14.03.2014

1,827,000

924

10

10

Maximum number of Equity Shares intended to be tendered

NA

59.524

NA

55.000.000

Bonus Issue

2,030,000

Transferred from

Aarvee Enterprise

|                              | 13.08.2014    | 6,691           | 10             | Nil             | Nil           | Registered in name of<br>beneficiary of Kedar<br>Ramesh Vaze Family<br>Trust pursuant to<br>revocation of trust on |
|------------------------------|---------------|-----------------|----------------|-----------------|---------------|--|
|                              |               |                 |                |                 |               | 13-08-14   |
|                              | 18.09.2014    | 6,853,500 *     | 10             | NA              | NA            | Bonus Issue  |
|                              |               | mber of Equit   |                |                 |               | 3,300,000  |
|                              | *3,292,385 ed | quity shares to | be tendered οι | ut of 6,853,500 | equity shares |  |
| ASN<br>Advisors<br>Pvt Ltd   | 20.01.2015    | 1,522,500       | 10             | 2               | 2,279,354     | Transferred by Ramesh<br>Vinayak Vaze<br>Family Trust  |
|                              | Maximum nu    | ımber of Equit  | y Shares inte  | nded to be ter  | ndered        | 1,522,500  |
| SKK<br>Industries<br>Pvt Ltd | 20.01.2015    | 1,522,500       | 10             | 2               | 2,279,354     | Transferred by Ramesh<br>Vinayak Vaze<br>Family Trust  |
|                              | Maximum nu    | 1,522,500       |                |                 |               |  |
| Anagha<br>Nene               | 19.12.2016    | 100             | 10             | NA              | NA            | Off-market (transfer of<br>Equity shares on account<br>of dissolution of Ramesh<br>Vinayak Vaze HUF)               |
|                              | 30.01.2018    | 800,000         | 10             | Nil             | N.A           | Transferred by Nihar<br>Nene by way of gift deed   |
|                              | 18.02.2019    | 722,500         | 10             | Nil             | N.A           | Transferred by Nihar<br>Nene by way of gift deed   |
|                              | Maximum nu    | 1,522,600       |                |                 |               |  |
| Sumedha                      | 1.12.2015     | 50              | 10             | 216.02          | 10,801.00     | Market Purchase  |
| Karmarkar                    | 9.12.2016     | 100             | 10             | NA              | NA            | Off-market (transfer of Equity shares on account of dissolution of Ramesh Vinavak Vaze HUF)                        |

The Company confirms that there are no defaults made or subsisting in the repayment of deposits / interest thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of term loans / interest thereon to any financial institution or banks

Maximum number of Equity Shares intended to be tendered

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

of the Company and has formed the opinion that: Immediately following the date of the Board Meeting held on June 10, 2019 with regard to the proposed Buyback,

there will be no grounds on which the Company can be found unable to pay its debts; As regards the Company's prospects for the year immediately following the date of the Board meeting held on June 10, 2019 with regard to the proposed Buyback, approving the Buyback and having regards to the Board's

intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buyback;

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

The text of the Report dated June 10, 2019 received form B S R & Co. LLP, Chartered Accountants. the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced

The Board of Directors

S H Kelkar and Company Ltd. Devkaran Mansion.

36, Mangaldas Road

Mumbai - 400 002 India 10 June 2019

# Dear Sirs / Madam.

Statutory Auditor's report in respect of proposed buy back of equity shares by S H Kelkar and Company Limited as per Clause (xi) of Schedule I to the Securities and Exchange Board of India (BuyBack of Securities) Regulations, 2018, as amended

- This Report is issued in accordance with the terms of our engagement letter dated 7 September 2018 and addendum to it dated June 5, 2019. The Board of Directors of S H Kelkar and Company Limited ("the Company") have approved a proposed buyback of Equity Shares by the Company at its meeting held on June 10, 2019, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") read with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI
- The accompanying Statement of permissible capital payment (including premium) ('Annexure A') as at March 31, 2019 (hereinafter referred to as the "Statement") is prepared by the management of the Company, which we have initialed for identification purposes only.

### Management's Responsibility for the Statement The preparation of the Statement in accordance with Section 68(2) of the Act and ensuring compliance with

Section 68, 69 and 70 of the Act and SEBI Buy-back Regulations, is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## Auditors' Responsibility

- Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide a reasonable we have inquired into the state of affairs of the Company in relation to its latest audited standalone financial
- statements as at and for the year ended March 31, 2019, which have been audited by us, on which we have issued an unmodified opinion vide our report dated May 22, 2019 ("audited financial statements"); the amount of the permissible capital payment (including premium) as stated in Annexure A for the proposed buyback of equity shares is properly determined in accordance with Section 68(2) of the Act; and
- the Board of Directors of the Company in their meeting dated 10 June, 2019, have formed the opinion as specified
- in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date. Our engagement involves performing procedures to obtain sufficient appropriate evidence on the above reporting

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated

- with the above reporting. We accordingly performed the following procedures: Examined that the amount of permissible capital payment (including premium) for the buy back as detailed in
- Annexure A is in accordance with the provisions of Section 68(2) of the Act; Inquired into the state of affairs of the Company with reference to the audited financial statements;
- Examined the Board of Directors' declarations for the purpose of buy back and solvency of the Company; and
- Obtained appropriate representations from the Management of the Company We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and
- Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality
- Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- Opinion

## Based on our performance of the aforesaid procedures, we report that:

- We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended 31 March, 2019:
- The amount of permissible capital payments (including premium) towards the proposed buyback of equity shares as computed in the statement attached herewith is in our view properly determined in accordance with the provision of Section 68(2) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended 31 March, 2019; and the Board of Directors of the Company in their meeting held on 10 June, 2019 have formed their opinion, as
- specified in clause (x) of Schedule I to the SEBI Buy-back Regulations, on reasonable grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the board resolution dated 10 June 2019. Based on the representations made by the management, and other information and explanations given to us.
- which to the best of our knowledge and belief were necessary for this purpose, we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

# Restriction on use

Mumbai

10 June 2019

This report has been issued at the request of the Company solely for use of the Company in relation to (i) enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory 48 authority as per applicable laws and (b) the Central Depository Services (India) Limited. National Securities Depository Limited and (ii) for providing to the Keynote Financial Services Ltd., manager to the offer, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose For B S R & Co. LLP.

> Chartered Accountant Firm's Registration No. 101248W / W-100022 Aniruddha Godbole Membership No.105149

> > Amount in INR crores \*

UDIN No: 19105149AAAABS9517 Annexure A - Statement of permissible capital payment (including premium)

Computation of amount of permissible capital payment towards buy back of equity shares of S H Kelkar and Company Limited in accordance with proviso to Section 68 (2) of the Companies Act, 2013 (the "Act") and proviso

to Regulation 4(i) of the SEBI Buy-back Regulations: Particulars

| Faid up equity snare capital (144,620,801 Equity Snares of INH 10 each, fully paid up)* [A]  | 144.62                   |
|--|--------------------------|
| Free reserves #:   |                          |
| - Securities premium account *   | 119.19^                  |
| - General reserve *  | 55.76                    |
| - Other reserves *   | 8.76                     |
| - Surplus in the Statement of Profit and Loss *  | 268.00                   |
| Total free reserves [B]  | 451.71                   |
| Change in carrying amount of an asset or of a liability on measurement of the asset or       | -                        |
| the liability at fair value [C]  |                          |
| Total [A + B - C]  | 596.33                   |
| Maximum amount permissible for buyback as per the Act and SEBI Buy-back                      | 59.63                    |
| Regulations (i.e.10% of aggregate of fully paid up equity share capital and free             | 1                        |
| reserves as per audited standalone financial statements as of and for the year               | 1                        |
| ended 31 March 2019)   |                          |
| Buyback offer size permitted by Board Resolution dated 10 June 2019                          | 59.40                    |
| Buyback offer size as a percentage of total paid up capital and free reserves                | 9.96%                    |
| ^ This represents amount after adjustment of INR 74.95 crores on account of equity shares he | ld by S H Kelkar Employe |
| benefit Trust.   |                          |
| * The amounts have been extracted from the audited standalone financial statements of the    | Commany on at and far th |

\* The amounts have been extracted from the audited standalone financial statements of the Company as at and for the year ended 31 March 2019 and rounded off to the nearest crores.

# Free reserves are as per sub clause 43 of Section 2 and explanation II to Section 68 of the Act.

Continued in Next Page

Continued from Previous page

For S H Kelkar and Company Limited

Mr. Kedar Vaze

BY ANIRUDDHA GODBOLE

FOR B S R & Co. LLP

SIGNED FOR IDENTIFICATION

**Chief Executive Officer and Director** Place: Mumbai Date: 10 June 2019

#### Process and methodology for Buyback The Buyback is open to all Shareholders/beneficial owners of the Company holding Equity Shares on the Record

The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular ("Stock Exchange Mechanism") and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the 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. For implementation of the Buyback, the Company has appointed Keynote Capitals Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described below. The contact details of the Company's Broker

#### **Keynote Capitals Limited**

are as follows:

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028 Contact Person: Mr. Alpesh Mehta

Email: alpesh@kevnoteindia.net

Tel.: +91-22-68266000

The equity shares of the Company are listed on both the exchanges (i.e. on BSE and NSE). The proposed Buyback will be implemented through Stock Exchange Mechanism provided by BSE, who shall be the Designated Stock Exchange for implementation of the proposed Buyback

The Company will request BSE Limited to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Shareholders, who wish to tender Equity Shares in the Buyback. BSE Limited would be the Designated Stock Exchange for this Buyback.

During the tendering period, the order for selling Equity Shares will be placed by Shareholders through their respective stock brokers, who shall then enter the orders.

### Procedure to be followed by Equity Shareholders:

All the equity shares of the Company are held in the dematerialized form.

Shareholders who desire to tender their Equity Shares under Buyback would have to do so through their respective Seller Member by indicating to them the details of Equity Shares they intend to tender under the The Seller Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender

Equity Shares in the Buyback using the Acquisition Window of BSE. Before placing the order/bid, the Seller Broker on behalf of Eligible Shareholder would be required to transfer the tendered Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("Clearing Corporation") for the transfer of the Equity Shares to the special account of the Clearing Corporation specifically created for the purpose of Buyback ("Special Account"). This shall be validated at the time of order/bid entry. The details of the Special Account of Clearing Corporation shall be informed in the offer opening Circular that will be issued by BSE or Clearing Corporation.

For Custodian Participant orders for Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation. Upon placing the bid, the Seller Broker shall provide a Transaction Registration Slip ("TRS") generated by the

exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No... Application No., DP ID, Client ID, No. of Equity Shares tendered etc.

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

The cumulative quantity tendered shall be made available on the website of BSE www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

#### xiv) Method of settlement Upon finalization of the basis of acceptance as per Buy-back Regulations:

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market

- The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the
- Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. For Equity Shares accepted under the proposed Buyback, the Clearing Corporation's Bank will make direct funds payout to the respective Shareholders. If the respective Shareholder's bank account details are not available or if the fund transfers instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Seller Brokers settlement bank account for onward transfer to such respective Shareholders. The Equity Shares bought back would be transferred directly to the demat account of the Company opened for the
- Buy Back by the Registrar.
- The Shareholders will have to ensure that they keep the depository participants ("DP") account active and unblocked to receive credit in case of return of the equity shares, due to rejection or due to non-acceptance of shares under the proposed Buyback. Excess Equity Shares or unaccepted Equity Shares, if any, tendered by the Shareholders would be returned to the

proposed Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker

Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including

- Selling Broker by Clearing Corporation in payout The Seller Broker would issue contract note & pay the consideration for the Equity Shares accepted under the
- would also issue a contract note to the Company for the Equity Shares accepted under the proposed Buyback. Shareholders who intend to participate in the proposed Buyback should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respect Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the
- The Equity Shares lying to the credit of the Company Demat Account will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

#### Record date and shareholder entitlement.

brokerage) incurred solely by the selling Shareholders.

- As required under the Buyback Regulations, the Company has fixed Thursday, June 20, 2019 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the Shareholders, who are eligible to participate in the proposed Buyback. The Equity Shares proposed to be bought back by the Company, as part of this Buyback shall be divided into two categories: (a) reserved category for Small Shareholders and (b) the general category for all other Shareholders, and the entitlement of a Shareholder in each category shall be calculated accordingly.
- In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (Fifteen per cent) of the number of Equity Shares which the Company propose to Buyback, or number of Equity Shares entitled as per shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.
- Based on the shareholding as on the Record Date, the Company will determine the entitlement of each Shareholder to tender their Equity Shares in the Buyback. This entitlement for each Shareholder will be calculated based on the number of Equity Shares held by the respective Shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such Shareholder belongs. The final number of Equity Shares the Company will purchase from the Shareholders will be based on the Equity Shares tendered. Accordingly, in the event of the overall response to the tender offer being in excess of Buyback Offer Size, the Company may not purchase all the Equity Shares tendered by the Shareholders over and above their entitlement.
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.
- The Shareholders' participation in the Buyback will be voluntary. The Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be 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. The Shareholders may also tender a part of their entitlement additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any,
- The maximum tender under the proposed Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.

- The Equity Shares tendered as per the entitlement by Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. Detailed instructions for participation in the proposed Buyback (tender of Equity Shares in the Buyback) as well as
- the relevant time table will be included in the Letter of Offer which will be sent in due course to the Shareholders as on Record Date xvi) Compliance Officer

The Company has designated Ms. Deepti Chandratre, Company Secretary & DGM Legal as the Compliance Officer for the Buyback. The contact details are as given below

| Name  | Ms. Deepti Chandratre   |  |  |
|---|---|--|--|
| Designation   | Company Secretary & DGM Legal                                     |  |  |
| Address   | 36, Devkaran Mansion, Mangaldas Road, Mumbai, Maharashtra, 400002 |  |  |
| Email   | investors@keva.co.in  |  |  |
| Contact   | 022-21649143/22069609   |  |  |
| In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance |   |  |  |

Officer, from Monday to Friday between 10 am & 5 pm on all working days, at the above mentioned address. Investor service centre and Registrar to the Buyback

The Company has appointed Link Intime India Pyt. Limited as the Registrars to the Buyback, Their contact details

# **LINK** Intime

#### Link Intime India Private Limited

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

Tel. No.: +91-22-4918 6200; Fax: +91-22-4918 6195

Contact Person: Mr. Sumeet Deshpande Email: shkelkar.buyback2019@linkintime.co.in

Website: www linkintime co in

SEBI Registration Number: INR000004058

CIN: U67190MH1999PTC118368 xviii) Manager to the Buyback

The Company has appointed Keynote Financial Services Limited as Manager to the Buyback, Their contact

# KEYNOTE

#### Keynote Financial Services Limited,

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028;

Tel: +91-22-68266000-3: Fax: +91-22-68266088

E-mail: mbd@kevnoteindia.net: Website: www.kevnoteindia.net: Contact Person: Ms. Pooja Sanghvi;

SEBI Registration No.: INM 000003606;

In case of any query, the Shareholders may contact the Registrar to the Buyback/ Manager to the Buyback, from Monday to Friday between 10 am & 5 pm at the above mentioned addresses.

#### Directors' responsibility statement

In terms of Regulation 24(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accept responsibility for all the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

### For and on behalf of Board of Directors of S H Kelkar and Company Limited

Sd/-Sd/-Sd/-Ramesh Vaze Kedar Vaze Deepti Chandratre Managing Director Director Company Secretary (DIN: 00509751) (DIN: 00511325)

Place: Mumbai

Date: June 11 2019