

22-12-2017

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SWARAJ ENGINES LIMITED HELD ON TUESDAY, 28TH NOVEMBER, 2017 AT 5.15 P.M. AT THE OFFICE OF MAHINDRA & MAHINDRA LIMITED, MAHINDRA TOWERS, KANDIVLI (EAST), MUMBAI.

To consider and approve buyback of equity shares by the Company

Buyback of Equity shares

"RESOLVED THAT in accordance with Article 65 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**"), the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**"), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended ("the **Buyback Regulations**"), and subject to the approval of the members of the Company by way of postal ballot and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India ("**SEBI**"), Registrar of Companies, Punjab (the "**ROC**") and/ or other appropriate authorities which the Board of Directors of the Company (hereinafter referred to as the "**Board**", which expression includes any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) agreed and subject to such conditions and modifications as may be prescribed or imposed by such government, regulatory or statutory authorities, the consent of the Board be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of a face value of Rs. 10/- each ("**Equity Share**"), from the members of the Company, as on a record date ("**Record Date**"), for an amount not exceeding Rs. 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand Four Hundred Only), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc. (hereinafter referred to as the "**Buyback Offer Size**"), being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest audited balance sheet as on 31st March, 2017, at a price of Rs. 2,400/- (Rupees Two Thousand Four Hundred Only) per Equity Share on a proportionate basis through the "Tender Offer" route (hereinafter referred to as the "**Buyback**"), in accordance and consonance with the provisions contained in the Buyback Regulations and the Act.

RESOLVED FURTHER THAT the Company shall implement the Buyback from out of its free reserves and that the Buyback shall be through the tender offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit, subject to members' approval.



RESOLVED FURTHER THAT in accordance with Section 68 and all other applicable provisions, if any, of the Act, the Articles of Association of the Company, and other applicable laws, the approval of the members for the Buyback be sought by way of postal ballot.

RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the members on a proportionate basis under the Tender Offer, provided 15% 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 at the Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT all of the members of the Company will be eligible to participate in the Buyback including promoters who hold Equity Shares as of the Record Date.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated 13th April, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9th December, 2016, including any further amendments thereof.

RESOLVED FURTHER THAT the Buyback from non-resident members, Overseas Corporate Bodies (OCB's), Foreign Institutional Investors, Foreign Portfolio Investors and members of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any.

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

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

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing members 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 and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 ("**SEBI Takeover Regulations**"), from its free reserves and/or surplus and/or such other sources 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 nothing contained hereinabove shall confer any right on the part of any member to offer, or any obligation on the part of the Company or the Board of Directors to buyback any shares and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback if so permissible by law.

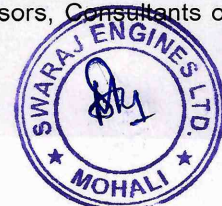
RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT as required under the provision to Section 68(6) of the Act and Regulation 8(7) of the Buyback Regulations, the Declaration of Solvency along with annexures thereof be and is hereby approved for filing with the ROC and SEBI after having it verified by an affidavit and signed by Shri Subhash Mago, Whole Time Director & CEO and any one of the following Directors namely Shri S.Durgashankar and Shri Rajesh Jejurikar, who are hereby authorised to sign the same.

RESOLVED FURTHER Shri Subhash Mago, Whole Time Director & CEO, Shri S.Durgashankar, Director and Shri Rajesh Jejurikar, Director be and are hereby authorised to make changes in the Declaration of Solvency as may be necessary, and to file the same with the ROC and with the SEBI.

RESOLVED FURTHER THAT a Buyback Committee comprising of Shri S.Durgashankar, Director, Shri Vijay Varma, Director, Shri Subhash Mago, Whole Time Director & CEO, Shri M.S.Grewal, Company Secretary and Shri Rajinder Arora, Chief Financial Officer of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee ("**Buyback Committee**") and the Buyback Committee be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

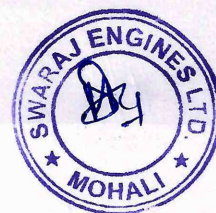
1. The initiating of all necessary actions for preparation, finalization and dispatch of Postal Ballot Notice along with explanatory statement and seek member approval for the Buyback
2. The initiating of all necessary actions for preparation and issue of Public Announcement, Letter of Offer and related documents
3. The preparation, finalization and filing of Public Announcement, draft Letter of Offer, Letter of Offer, related documents and also the certificates for Declaration of Solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any
4. Finalizing the terms of Buyback such as the entitlement ratio, fixing the Record Date, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback
5. The appointment of Merchant Banker, Registrars, Broker, e-voting Agency, Scrutinizer, Depository Participant, Printers, Advertisement Agency, and other Advisors, Consultants or



Representatives and settlement of 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

6. Obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable laws
7. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback
8. The opening, operation and closure of cash Escrow Account and Special Account in accordance with the escrow agreement to be executed by the Company in this regard
9. The opening, operation and closure of demat Escrow Account in accordance with the escrow agreement to be executed by the Company with the depository participant
10. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback
11. To make all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any
12. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares 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
13. To deal with stock exchanges (including their clearing corporations), where the Equity Shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated 13th April, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9th December, 2016, including any further amendments thereof.
14. Extinguishment of share certificates and Certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board
15. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper
16. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the members for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements,



papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, BSE Limited, National Stock Exchange of India Limited, ROC, Depositories and/or other authorities.

RESOLVED FURTHER THAT the quorum for a meeting of the Buyback Committee shall be presence of any two members and Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

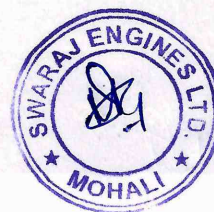
RESOLVED FURTHER THAT the Buyback Committee do report from time to time to the Board at the meeting of the Board, status/progress of actions taken by the Buyback Committee concerning Buyback and the minutes of meeting(s) of the Buyback Committee held in the intervening period of two successive meetings of the Board shall be put up at the subsequent meeting of the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations 1998, Kotak Mahindra Capital Company Limited be appointed as the Merchant Banker for the proposed buyback transaction.

RESOLVED FURTHER THAT no information/ material likely to have a bearing on the decision of the investors has been/shall be 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 and Buyback Regulations

RESOLVED FURTHER THAT the Company must create an Escrow Account with Kotak Mahindra Bank Limited, a scheduled commercial bank for a sum in accordance with Buyback Regulations in the said Escrow Account by way of a deposit in a timely manner in compliance with the requirements of the Buyback Regulations.

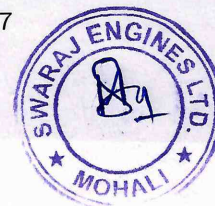


RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the Buyback Regulations, the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

1. That immediately following the date of Board Meeting held on 28th November, 2017 and the date on which the members' resolution passed by way of Postal Ballot/ E-voting ("Postal Ballot Resolution"), there will be no grounds on which the Company can be found unable to pay its debts.
2. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on 28th November, 2017 as well as for the year immediately following the date of passing of the members' resolution by way of Postal Ballot and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting and also from the date of passing of the members' resolution.
3. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016.

RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, from the date of members' resolution for the Buyback till the date of closure of this Buyback;
- c) That the Company, as per provisions of Section 68(8) of the Companies Act and 19(1)(f) of Buyback Regulations, shall not make further issue of the same kind of shares or other specified securities within a period of twelve months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
- d) the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- e) that the Company shall not Buyback its 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 there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
- g) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
- h) that the aggregate amount of the Buyback i.e. Rs. 70,73,90,400/- (Rupees Seventy Crores Seventy Three Lakhs Ninety Thousand Four Hundred Only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on 31st March, 2017



- i) that the maximum number of shares proposed to be purchased under the Buyback shall not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on 31st March, 2017;
- j) the Company shall not make any offer of Buyback within a period of one year reckoned from the date of closure of the Buyback
- k) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- l) that the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback."

Compliance Officer for purpose of Buyback

"RESOLVED THAT Shri M.S.Grewal, Company Secretary, be and is hereby appointed as Compliance Officer for Buyback Offer of the Company in terms of Regulation 19(3) of the Buyback Regulations.

RESOLVED FURTHER THAT Shri M.S.Grewal, Company Secretary be and is hereby authorised to represent the Company before the Ministry of Corporate Affairs ('MCA'), the Securities and Exchange Board of India ('SEBI'), the Stock Exchanges on which the Equity Shares of the Company are listed viz., BSE Limited and National Stock Exchange of India Limited or any other agencies connected with the Buyback Offer of the Company and to sign and submit all forms, letters, documents or other papers that may be required for the implementation of the Buyback Offer.

RESOLVED FURTHER THAT Shri M.S.Grewal, Company Secretary be and is hereby authorised to (i) maintain a register of securities bought back wherein details of Equity Shares bought back be entered including 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, (ii) authenticate the entries made in the said register.

RESOLVED FURTHER THAT Shri Subhash Mago, Whole Time Director & CEO, Shri S.Durgashankar, Director, Shri Rajinder Arora, Chief Financial Officer and Shri M.S.Grewal, Company Secretary of the Company be and are hereby authorised severally to do all such acts and things that may be necessary or incidental for signing and filing of forms, payment of fees etc. and to do all such other acts, things and deeds, as may be required for the aforesaid purpose or other services that may be notified from time to time."

Opening of Escrow Account of the Company in relation to the Buyback Offer

"RESOLVED THAT the Company do accept the offer of Kotak Mahindra Bank Limited to provide to the Company the escrow services as may be mutually agreed between the Company, Kotak Mahindra Capital Company Limited and Kotak Mahindra Bank Limited.

RESOLVED FURTHER THAT an Escrow Account designated as "Swaraj Engines Buyback – Escrow Account" be opened at Kotak Mahindra Bank Limited, Mumbai and that any one of the following authorised signatories singly be and are hereby authorized to finalise, sign and execute



the Escrow Agreement and issue instructions, including issuing irrevocable/ escrow instructions with regard to these bank accounts in accordance with the Buyback Regulations and also to carry out all incidental actions:

Shri Subhash Mago, Whole Time Director & CEO
Shri S.Durgashankar, Director
Shri Rajinder Arora, Chief Financial Officer
Shri M.S.Grewal, Company Secretary

RESOLVED FURTHER THAT any one authorised signatory from above be and is hereby authorised singly to convey to Kotak Mahindra Bank Limited acceptance on behalf of the Company of the said escrow services on the terms and conditions as may be contained in the escrow agreement and agree to such changes and modifications in the said terms and conditions as may be suggested by Kotak Mahindra Bank Limited from time to time and agreed by the Company and Kotak Mahindra Capital Company Limited and to execute such deeds, documents, communications and other writings and give instructions and directions for and on behalf of the Company as may be necessary or required for this purpose;

RESOLVED FURTHER THAT the Common Seal of the Company be affixed to the stamped engrossment(s) in duplicate of the escrow agreement for the aforesaid escrow services in the presence of any two of the above authorised signatories who shall sign / countersign the same in token thereof;

RESOLVED FURTHER THAT a copy of this resolution if purporting to be certified as correct by any of the above authorised signatory shall, as between Kotak Mahindra Bank Limited and the Company, be conclusive evidence of the passing of the resolution so certified;

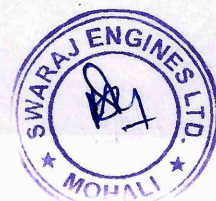
RESOLVED FURTHER THAT this resolution be communicated to Kotak Mahindra Bank Limited and shall remain in force until notice of its withdrawal, or cancellation is given to Kotak Mahindra Bank Limited by any of the above authorised signatory."

Opening of Trading Account of the Company in relation to the Buyback Offer

RESOLVED THAT Swaraj Engines Limited (the "Company") be registered as Client with Kotak Securities Ltd. Member of the Bombay Stock Exchange Ltd. (BSE), National Stock Exchange of India Ltd. (NSE), for the purpose of dealing in equities, derivatives, debentures, debt & other products and the said Member be and is hereby authorised to honour instruction oral or written, given on behalf of the Company by any of the following authorised signatories:-

Shri Subhash Mago, Whole Time Director & CEO
Shri S.Durgashankar, Director
Shri Rajinder Arora, Chief Financial Officer
Shri M.S.Grewal, Company Secretary

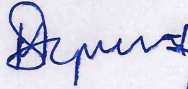
who are authorised to sell, purchase, transfer, endorse, negotiate and / or otherwise deal with / through deal through Kotak Securities Ltd. on behalf of the Company.



RESOLVED FURTHER THAT any one of the above authorised signatories of the Company be and are hereby authorised to sign, execute and submit such applications, undertakings, agreements and other requisite documents, writings and deeds as may deemed necessary or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed, wherever necessary, in the presence of any two of the above authorised signatories, who shall sign the same in token of their presence."

For Swaraj Engines Limited


(M.S.Grewal)
Company Secretary
M.No. 11587

