

INITIAL PUBLIC ANNOUNCEMENT UNDER REGULATION 8 READ WITH REGULATION 35, CHAPTER VI, PART-A OF SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2021 AND SUBSEQUENT AMENDMENT THERETO FOR THE ATTENTION OF PUBLIC SHAREHOLDERS OF

**SCOOTERS INDIA LIMITED**

Registered Office: 3/481, 1st Floor, Vikalp Khand, Gomti Nagar, Lucknow - 226 010, Uttar Pradesh, India

Corporate Identification Number: L25111UP1972GOI003599

This Initial Public Announcement ('**IPA**' / '**Public Announcement**') is being issued by Corporate Professionals Capital Private Limited ('**Manager to the Offer**') for and on behalf of President of India through Ministry of Heavy Industries, Government of India, New Delhi, (hereinafter referred to as "**Acquirer**") to the Public Shareholders (as defined below) of the Company with an intention to: (a) acquire all the Equity Shares (as defined below) that are held by Public Shareholders; and (b) consequently voluntarily delist the Equity Shares from the Stock Exchange (as defined below), by making a delisting offer, pursuant to and in compliance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ("**Delisting Regulations**") and exemptions granted by Securities & Exchange Board of India vide letter no. SEBI/HO/CFD/DCR3/P/OW/2021/26908/1 dated October 04, 2021 read with letter no. SEBI/HO/CFD/DCR3/P/OW/2023/2508/1 dated January 18, 2023, letter no. SEBI/HO/CFD/RAC/DCR2/P/OW/2023/1786/1 dated May 02, 2023 and any future exemptions that may be received from SEBI ("**Exemption Letters**"). ("**Delisting Proposal**").

For the purpose of this IPA, the following terms have the meanings assigned to them below:

- a. "**Company**" shall mean Scooters India Limited;
- b. "**CMD**" shall mean Chairman & Managing Director of Scooters India Limited appointed from time to time, presently being Mr. Amit Shrivastav;
- c. "**Board**" shall mean Board Of Directors of the Company;
- d. "**Delisting Regulations**" shall mean the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

- e. "Equity Shares" shall mean fully paid-up equity shares of the Company, each having face value of INR 10/-;
- f. "Exemption Letter 1" shall mean exemption granted by Securities & Exchange Board of India vide letter no. SEBI/HO/CFD/DCR3/P/OW/2021/26908/1 dated October 04, 2021.
- g. "Exemption Letter 2" shall mean exemption granted by Securities & Exchange Board of India vide letter no. SEBI/HO/CFD/DCR3/P/OW/2023/2508/1 dated January 18, 2023.
- h. "Exemption Letter 3" shall mean exemption granted by Securities & Exchange Board of India vide letter no. SEBI/HO/CFD/RAC/DCR2/P/OW/2023/1786/1 dated May 02, 2023.
- i. "Exemption Letters" shall mean "Exemption Letter 1" together with "Exemption Letter 2, Exemption Letter 3 and Exemption Letter(s), if any issued by Securities & Exchange Board of India, subsequent to the date of this IPA".
- j. "Public Shareholders" shall mean the public shareholders of the Company as defined under Regulation 2(1)(t) of the Delisting Regulations;
- k. "RBI" shall mean Reserve Bank of India;
- l. "SEBI" shall mean Securities and Exchange Board of India;
- m. "Stock Exchange" shall mean the stock exchange where the Equity Shares are presently listed i.e. BSE Limited;
- n. "Promoter" shall mean the Promoter as defined under the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018; and
- o. "Takeover Regulations" shall mean the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

#### 1. OFFER DETAILS:

1.1. The Government of India ('GOI'), Ministry of Heavy Industries, New Delhi vide letter no. F. No.3(1)/2020-PE-VI, dated January 28, 2021 communicated its decision for shutting down the operations of the plant/unit of the Company and closure of the Company. Further, the said letter by GOI also mentioned that before the closure of the Company under section 248(2) of the Companies Act, 2013, the Equity Shares of the Company are required to be delisted from the Stock Exchange and Equity Shares with the public are to be acquired and payout to be made to the public shareholders by Government of India, as per the procedure prescribed in Delisting Regulations. In this regard, **Mr. Amit Shrivastav**, Chairman & Managing Director of the Company has been authorized by the Acquirer to do the needful on the Acquirer's behalf for the proposed voluntary delisting;

**1.2.** Accordingly, the Company had floated a tender on July 05, 2021 for appointment of Merchant Banker for the proposed delisting offer. In accordance with the above and as per the provisions of Regulation 9 of the Delisting Regulations, the Acquirer appointed Corporate Professionals Capital Private Limited to act as Merchant Banker to the proposed Delisting offer.

**1.3.** The CMD, on behalf of Acquirer vide letter dated May 03, 2023 has *inter alia* expressed the intention to voluntarily delist the Equity Shares of the Company in accordance with the Delisting Regulations by acquiring Equity Shares that are held by the public shareholders of the Company.

**1.4.** In view of the above, as required under Regulation 8 of the Delisting Regulations, this IPA is being made by the Manager for and behalf of Acquirer to express the intention to undertake the Delisting Proposal, in accordance with applicable law.

**1.5.** As on date, the aggregate shareholding of the Acquirer is 8,19,24,029 (Eight Crore Nineteen Lakh Twenty Four Thousand and Twenty Nine) Equity Shares aggregating to 93.87% of the paid-up equity share capital of the Company. The Public Shareholders hold 53,48,226 (Fifty Three Lakh Forty Eight Thousand Two Hundred and Twenty Six) Equity Shares representing 6.13% of the Paid-up Share Capital of the Company.

**1.6.** Since the promoter shareholding in the Company is more than the Minimum Public Shareholding norms as per the Securities Contracts (Regulation) Rules, 1957 and also in respect of certain other provisions of the Delisting Regulations, the Company has obtained Exemptions from SEBI, as granted vide the Exemption Letters.

## **2. REASONS FOR DELISTING:**

In terms of the provisions of Regulation 8(3)(a) of the Delisting Regulations, the rationale for the Delisting Proposal is as follows:

**2.1.** The Government of India, Ministry of Heavy Industries (“MHI”), New Delhi vide letter no. F. No.3(1)/2020-PE-VI dated January 28, 2021 decided for shutting down the operations of the plant/unit of the Company and closure of the Company.

**2.2.** Also, vide the same letter, the MHI approved the Delisting of Equity shares of the Company from BSE Limited, before closure of the Company under section 248(2) of the Companies Act, 2013.

**2.3.** In furtherance to the same, the Company has ceased to be a going concern and necessary steps as per the aforementioned letter have been initiated.

2.4. In terms of the decision taken by MHI, the Company has to be dissolved pursuant to the provisions of section 248(2) of the Companies Act, 2013.

2.5. Also, the Company has a Paid-up Capital of Rs. 87,27,22,550, divided into 8,72,72,255 Equity Shares of the Face Value of Rs 10/- each. The Promoters' Shareholding in the Company is 93.87% and the public holding is merely 6.13%. There is very minuscule trading in the shares of the Company and no benefit is being derived by the virtue of being listed on BSE Limited. The Equity Shares of the Company are presently infrequently traded, with merely 0.66% trading during last 12 months.

2.6. Given the limited liquidity of the Equity Shares on the stock exchange, the proposed delisting will provide the public shareholders an opportunity to exit from the Company at a price determined in accordance with the Delisting Regulations.

### 3. UNDERTAKINGS/ CONFIRMATIONS:

3.1. In terms of Regulation 8(3)(b) of the Delisting Regulations, the Acquirer, undertake and confirm that the Acquirer:

3.1.1. has not sold any Equity Shares during the period of 6 months prior to the date of this IPA; and

3.1.2. shall not, directly or indirectly, in connection with the Delisting Proposal:

3.1.2.1. employ any device, scheme or artifice to defraud any shareholder of the Company or other person; or

3.1.2.2. engage in any transaction or practice that operates as a fraud or deceit upon any shareholder of the Company or other person; or

3.1.2.3. engage in any act or practice that is fraudulent, deceptive or manipulative.

### 4. PRICE:

4.1. The 'Exit Price' of the delisting offer has to be determined in terms of Regulation 20(2) of the Delisting Regulations read with Regulation 8 of the Takeover Regulations and the Exemption Letters.

4.2. In our instant case, as per the conditions mentioned in the Exemption Letters collectively, the Acquirer has been mandated to obtain valuation of the equity shares of the Company from two independent peer reviewed chartered accountants and the floor price for the delisting shall not, in any case, be lower than the higher of the two valuations.

- 4.3. Accordingly, the Acquirer had appointed two peer reviewed Chartered Accountants for computing the Fair Value of the Company in accordance with Regulation 20 of Delisting Regulations read with Regulation 8 of Takeover Regulations who have computed the floor price for the proposed delisting offer.
- 4.4. Thereafter, the CMD on behalf of the Acquirer applied with Ministry of Heavy Industries, Government of India, New Delhi for approval of floor price for the proposed voluntary delisting and Ministry vide their letter dated February 09, 2023, have granted approval for the floor price.
- 4.5. In terms of the conditions mentioned in the Exemption Letters collectively, the Acquirer will make sure that as per Regulation 35(2)(a) of the Delisting Regulations, the exit price shall be determined after consultation with the Manager to the Offer which will be not be less than the floor price determined in terms of clause (e) of sub-regulation (2) of regulation 8 of the Takeover Regulations.

## **5. CONDITIONS:**

- 5.1. The acquisition of the Equity Shares by the Acquirer, from the Public Shareholders will be conditional upon the following:
- 5.1.1. Approval of the Board Of Directors of the Company in terms of Regulation 10 of the Delisting Regulations towards the delisting proposal;
- 5.1.2. Approval of the shareholders of the Company by way of a special resolution through postal ballot and / or e- voting in accordance with Regulation 11 of the Delisting Regulations and other applicable law wherein the number of votes cast by the Public Shareholders in favour of the Delisting Proposal is at least two times the number of votes cast by the Public Shareholders against the Delisting Proposal;
- 5.1.3. Receipt of the approval of the Stock Exchange in accordance with the Delisting Regulations and/ or any other statutory/ regulatory approvals and third-party consents, as may be required, in relation to the Delisting Proposal;
- 5.1.4. The Acquirer to write individually to all the public shareholders intimating them about the exit price together with justification for the same along with particular reference to the applicable parameters and specific mention of the fact that the consent for delisting proposal would include the consent for dispensing off with the exit price discovery through reverse book building method.
- 5.1.5. The number of Equity Shares being validly tendered/ the consents being received, in the delisting offer would be sufficient enough to result in the delisting offer being successful in accordance with the Delisting Regulations, as exempted under Exemption Letters 1 or 2 or 3 or any subsequent Exemptions that may be received from SEBI.
- 5.1.6. The conditions mentioned in the Exemption Letters or such other directions/exemptions as may be issued by SEBI in this regard.

**6. OTHER DETAILS:**

- 6.1. The present Delisting of Equity Shares is as per the Exemption Letters approved by SEBI which mandates the following conditions to be complied with by the Acquirer:
- 6.1.1. The Company shall be in compliance with provisions of all other applicable laws;
- 6.1.2. The Acquirer to obtain valuation from two independent peer reviewed Chartered accountants and the floor price for the delisting shall not, in any case, be lower than the higher of the two valuations;
- 6.1.3. The Acquirer will make sure that the exit price is determined as per the provisions of Regulation 35(2)(a) of the Delisting Regulations, after consultation with the Manager to the Offer which will be not be less than the floor price determined in terms of clause (c) of sub-regulation (2) of regulation 8 of the Takeover Regulations.
- 6.1.4. The Acquirer shall write to all public shareholders intimating them of the proposed delisting and exit price together with justification for the same along with particular reference to the applicable parameters;
- 6.1.5. The Acquirer shall comply with the requirement of Escrow Account as specified in regulation 14 of the Delisting Regulations;
- 6.1.6. Ensure compliance with Regulation 35(2)(c) of the Delisting Regulations. Additionally, publish a newspaper advertisement in one national newspaper in English and in newspapers in local vernacular in each state where its public shareholders are residing as per the address available in records announcing delisting proposal at least 10 days before the letter is sent to the public shareholders seeking their consent for delisting proposal;
- 6.1.7. The letter of offer sent to all public shareholders and the advertisement as well as explanatory statement shall indicate the valuation and rationale for the offer price, in the event of Company proceeding with the delisting;
- 6.1.8. The offer price to be paid to tendering shareholders through electronic mode permitted by RBI to enable audit trail;
- 6.1.9. The Acquirer will continue to accept tendered shares from remaining public shareholders for a period of up to 2 years from the date of delisting at the same price at which earlier acceptance of shares was made;

- 6.1.10.** The Manager to the offer, in due coordination with the Acquirer, shall ensure that the rights of the remaining public shareholders are protected and all the disclosures and compliances as mentioned in Exemption Letters in this regard are duly complied with and in furtherance of the same shall:
- 6.1.10.1.** publish, on a quarterly basis, an advertisement in the same newspapers in which the advertisement of the offer for delisting of equity shares was published, inviting the remaining public shareholders to avail the exit opportunity during the two years exit window after delisting of shares;
- 6.1.10.2.** send follow up communications to the remaining public shareholders on a quarterly basis; and
- 6.1.10.3.** file a quarterly progress report to the stock exchange(s), which shall be disseminated to the public thereafter by the stock exchange(s), disclosing the following:
- 6.1.10.3.1.** number of remaining public shareholders at the beginning and end of the quarter; and
- 6.1.10.3.2.** details of public shareholders who availed the exit opportunity during the quarter.
- 6.1.11.** Disclosure of the relaxations granted through the exemption letters shall be disclosed in the Letter of offer; and
- 6.1.12.** Exemption Letters shall form part of documents for inspection to the public shareholders.
- 6.2.** Accordingly, the Delisting offer will be in accordance with the above and applicable provisions of Chapter VI and such other directions/exemptions as may be issued by SEBI in this regard.
- 6.3.** The Acquirer has confirmed that they have made firm financial arrangements for fulfilling the payment obligations under the delisting offer and they are able to implement the delisting offer, subject to any statutory approvals for the Delisting proposal as may be necessary.
- 6.4.** The Acquirer accepts full responsibility for the information contained in this IPA and confirm that such information is true, fair and adequate in all material aspects. The Acquirer is aware and will comply with the obligations under Delisting Regulations and the exemption letters.
- 6.5.** All the information pertaining to the Company contained in this IPA has been obtained from publically available sources, and the accuracy thereof has not been independently verified by the Manager.

ISSUED ON BEHALF OF ACQUIRER BY MANAGER TO THE OFFER



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**For and on behalf of Acquirer**

**Amit Shrivastav**

**(Authorized Signatory)**

**Place:** Lucknow

**Date:** May 03, 2023