

SAFFRON

• • • • • *energising ideas*

Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, Andheri Kurla Road,

J. B. Nagar, Andheri (East), Mumbai - 400 059.

Tel.: +91 4082 0912 / Fax: +91 4082 0999

Email : info@saffronadvisor.com

Website: www.saffronadvisor.com

CIN No. U67120MH2007PTC166711

April 08, 2019

To,

Corporate Relationship Dept.,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

SCRIP CODE: 514266

Sub: Proposed buyback of 5,50,000 equity shares of face value Rs. 10 each for cash at a price of Rs. 55 per equity share for cash aggregating upto 3,02,50,000/- (Rupees Three Crores Two Lacs Fifty Thousand only) pursuant to regulation 7(i) of extant SEBI (Buyback of Securities) Regulations, 2018, (including its amendments), ("SEBI Regulations") through Tender Offer route, ("Buyback Offer") by Zenith Fibres Limited, ("Company")

We have been appointed as 'Manager' to the captioned Buyback Offer by the Company. In this regard, we are enclosing the following for your kind reference and records:

1. An original copy of Draft Letter of Offer dated April 05, 2019, ("DLOF") duly signed by two Directors and Company Secretary of the Company, and;
2. Soft copy of DLOF in compact disk.

In case of any clarification required, please contact the undersigned on (D) 022 4082 0914, Email-amit@saffronadvisor.com

For Saffron Capital Advisors Private Limited

Amit Wagle
08/04/19



Amit Wagle
Senior Vice President
Equity Capital Markets

Encl: a/a

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder(s) of Zenith Fibres Limited, as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended. If you require any clarification about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback, Saffron Capital Advisors Private Limited or the Registrar to the Buyback-Universal Capital Securities Private Limited.



Zenith Fibres Limited

(Corporate Identification Number: L17120MH1989PLC054580)

Registered Office: 205, Marol Bhavan, 2nd Floor, Sir M V Road Marol, J B Nagar Post, Andheri East, Mumbai, Maharashtra, 400059; **Tel. No.:** 022-28599428; **Fax:** 022-28599429; **Email:** cs.shah@zenithfibres.com;

Website: www.zenithfibres.com; **Contact Person:** Ms. Siddhi Shah, Company Secretary and Compliance Officer.

Cash offer to Buyback up to maximum of 5,50,000 fully paid-up Equity Shares of face value Rs. 10 each, at a price of Rs. **55/- (Rupees Fifty Five only)** per share for an aggregate maximum amount of upto **Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only)** which represents **6.39%** of the aggregate of Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2018, through the Tender Offer process, on a proportionate basis. The Equity Shares proposed to be bought back constitute **12.44%** of issued, subscribed and paid up Equity Capital of the Company. The Letter of Offer will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. **Friday, April 12, 2019**.

The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay order, or similar instruments payable at par at all the centers where the Company is accepting applications. The Buyback Offer is pursuant to Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 for the time being in force including any statutory modifications and amendments from time to time as well as in accordance with provisions of sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013, as amended (the "Act") and in accordance with the provisions contained in the Article **7A** of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchange, Reserve Bank of India, etc.

A copy of the Public Announcement dated April 01, 2019 published on April 02, 2019 is available at the SEBI's website (www.sebi.gov.in), website of Manager to the Buyback at www.saffronadvisor.com and website of the Company at www.zenithfibres.com. Further, the Letter of Offer will also be available at the SEBI website, website of Manager to the Buyback and website of the Company. Equity Shareholders are advised to refer to Clause 17 of this Draft Letter of Offer on Details of the Statutory Approvals and Clause 21 of this Draft Letter of Offer on Note on Taxation before tendering their Shares in the Buyback.

BUYBACK OPENS ON: [●]. [●]. 2019 BUYBACK CLOSES ON: [●]. [●]. 2019

MANAGER TO THE BUYBACK

SAFFRON

energising ideas

Saffron Capital Advisors Private Limited

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

Tel No.: +91 22 4082 0914;

Fax No.: +91 22 4082 0999;

E-mail: buybacks@saffronadvisor.com;

Website: www.saffronadvisor.com;

Investor grievance Id:

investorgrievance@saffronadvisor.com;

SEBI Registration Number: INM000011211;

Contact Person: Mr. Amit Wagle / Ms. Shikha Jain

REGISTRAR TO THE BUYBACK

UCS

UNIVERSAL CAPITAL
SECURITIES PVT LTD.

Formerly Known as Mondkar Computers Pvt. Ltd.

Universal Capital Securities Private Limited

21/25 Shakil Niwas, Opp Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400093

Tel. No.: +91 22 28207203-05 / 28257641;

Fax No.: +91 22 28207207;

E-mail: khade@unisec.in;

Website: www.unisec.in;

SEBI Registration Number: INR000004082

Validity: Upto April 17, 2020.

Contact Person: Sunil Khade

TABLE OF CONTENTS		
SR. NO.	PARTICULARS	PAGE NO.
1.	SCHEDULE OF ACTIVITIES	03
2.	DEFINITION OF KEY TERMS	03
3.	DISCLAIMER CLAUSE	05
4.	TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING	06
5.	DETAILS OF THE PUBLIC ANNOUNCEMENT	09
6.	DETAILS OF THE BUYBACK	10
7.	AUTHORITY FOR THE BUYBACK	15
8.	NECESSITY OF THE BUYBACK	15
9.	MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY	15
10.	BASIS OF CALCULATING THE BUYBACK PRICE	16
11.	SOURCES OF FUNDS FOR THE BUYBACK	17
12.	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN	17
13.	CAPITAL STRUCTURE AND SHAREHOLDING PATTERN	17
14.	BRIEF INFORMATION OF THE COMPANY	18
15.	FINANCIAL INFORMATION ABOUT THE COMPANY	23
16.	STOCK MARKET DATA	24
17.	DETAILS OF THE STATUTORY APPROVALS	25
18.	DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES	25
19.	ENTITLEMENT RATIO AND BASIS OF ACCEPTANCE OF SHARES	26
20.	PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUY-BACK	30
21.	NOTE ON TAXATION	34
22.	DECLARATION BY THE BOARD OF DIRECTORS	35
23.	AUDITOR'S CERTIFICATE	36
24.	DOCUMENTS FOR INSPECTION	38
25.	DETAILS OF THE COMPLIANCE OFFICER	39
26.	DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS	39
27.	DETAILS OF INVESTOR SERVICE CENTRE	39
28.	DETAILS OF THE MANAGER TO THE BUYBACK	40
29.	DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT	40
	FORM	-

1. SCHEDULE OF ACTIVITIES

Activity	Day	Date
Date of Board Meeting approving the Buyback	Saturday	March 30, 2019
Date of Public Announcement for Buyback	Monday	April 01, 2019
Date of publication of Public Announcement	Tuesday	April 02, 2019
Record Date for determining the Entitlement and the names of Eligible Shareholders	Friday	April 12, 2019
Date of Opening of Buyback	[●]	[●]
Date of Closing of Buyback	[●]	[●]
Last date of verification	[●]	[●]
Last date of intimation regarding acceptance / non- acceptance of tendered Shares	[●]	[●]
Last date of dispatch of consideration / share certificate(s) / demat instruction(s)	[●]	[●]
Last date of Extinguishment of Shares	[●]	[●]

2. DEFINITION OF KEY TERMS

Acceptance	Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback process
Act	The Companies Act, 2013, as amended including rules therein
Articles	Articles of Association of the Company
Additional Shares / Additional Equity Shares	Additional eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such Shareholder. Eligible Equity Shares means the minimum of: - Total number of Shares tendered by an Eligible Person or - Total number of Shares held by such Shareholder as on the Record Date
Company / the Company	Zenith Fibres Limited
Authorized/Buyback Committee	Buyback Committee comprising of Mr. Sanjeev Rungta and Mr. Mukund Beriwal constituted on March 30, 2019 by a resolution of the Board of Directors, and duly authorized for the purpose of this Buyback
Board	Board of Directors of the Company, or the Authorized Committee for the purpose of the Buyback
BSE	BSE Limited
Buyback Entitlement	The number of Equity Shares that a Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Shareholder, on the Record date and the Ratio of Buyback applicable in the category, in which such Shareholder belongs to
Buyback Offer / Buyback / Offer	Offer by Zenith Fibres Limited to buyback up to maximum of 5,50,000 fully paid-up Equity Shares of face value Rs. 10 each at a price of Rs. 55/- per Equity Share for cash aggregating upto Rs 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only) from the Equity Shareholders of the Company through Tender Offer process, on a proportionate basis
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited.
Draft Letter of Offer	This Draft letter of offer dated April 05, 2019 filed with SEBI through the Manager to

	the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations
Eligible Person (s)	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on Record Date i.e Friday, April 12, 2019 .
Equity Shares / Shares	Fully paid up Equity Shares of face value Rs. 10 each of the Company
Equity Shareholder(s)/ Shareholder(s)	Holder(s) of the Equity Shares and includes beneficial owners thereof
Escrow Bank/Escrow Agent	ICICI Bank Limited
Escrow Account	The Escrow Account opened with ICICI Bank Limited
Form / Tender Form	Form of Acceptance–cum–Acknowledgement
Letter of Offer / LOF / Offer Document	Letter of offer dated [●] to be filed with SEBI, through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, incorporating comments that were received from SEBI on the Draft Letter of Offer
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and erstwhile Overseas Corporate Bodies (OCB)
NECS	National Electronic Clearing Services
NSDL	National Securities Depository Limited
Offer Period	Ten working days from the date of opening of the Buyback
Offer Price / Buyback Price	Price at which Equity Shares will be bought back from the Shareholders i.e Rs. 55/- per fully paid up Equity Share, payable in cash
Offer Size / Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 5,50,000 Equity Shares of face value Rs. 10 each) multiplied by the Offer Price (i.e. Rs. 55/- per Equity Share) aggregating to Rs 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only)
PA / Public Announcement	Public Announcement regarding the Buyback dated April 01, 2019 issued in Financial Express (English newspaper), Jansatta (Hindi newspaper) and Mumbai Lakshdeep (Marathi newspaper) published on April 02, 2019.
Persons in Control	Promoters, Promoter Group and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (“SEBI Takeover Regulations”) and filings with the stock exchange under Regulation 31 of the Listing Obligations and Disclosure Requirements Regulations 2015
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the proposed Buyback Offer in accordance with Buyback Regulations. This date shall be Friday, April 12, 2019 .
Registrar to the Offer / Registrar to the Buyback	Universal Capital Securities Private Limited
Regulations / SEBI Regulations / SEBI Buyback Regulations / Buyback Regulations	The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time
Saffron / Manager to the Buyback	Saffron Capital Advisors Private Limited
SEBI	The Securities and Exchange Board of India
Small Shareholder	A Shareholder of a listed company, who holds shares or other specified securities

	whose market value, on the basis of closing price of Shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date, i.e. Friday, April 12, 2019 is not more than Rs. Two Lacs.
Stock Exchange	BSE
Tender Offer	Method of Buyback as defined in Regulation 2(1)(q) of the Buyback Regulations

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback, Saffron Capital Advisors Private Limited, has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act, 2013 and SEBI Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Saffron Capital Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated April 05, 2019 in accordance with SEBI Regulations which reads as follows:

"We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *All the legal requirements connected with the said offer including SEBI Regulations have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback Offer.*
- *Funds used for buyback shall be as per the provisions of the Companies Act".*

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

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

Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through a tender offer has been duly authorised by the resolution passed by the Board of Directors of the Company at their meeting held on March 30, 2019. The Extracts of the same are as follows:

“RESOLVED THAT pursuant to the provisions of 7A of the Articles of Association of the Company and in accordance with the provisions of sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the **“Act”**) and subject to the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 (the **“SEBI Buyback Regulations”**) and any statutory modification(s) or re-enactment of the Act or Rules framed there under from time to time or Buy-back Regulations, for the time being in force) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**) and / or other authorities, institutions or bodies (the **“appropriate authorities”**), as may be necessary and conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which expression shall be deemed to include the **“Buyback Committee”** which the Board has authorized to exercise its powers, including the powers conferred by this resolution), the consent be and is hereby accorded to purchase by way of buyback offer up to up to 5,50,000 fully paid-up Equity Shares of Rs. 10/- each of the Company constituting **12.44%** of the fully paid-up Equity Share capital of the Company at a price of Rs 55/- (Rupees Fifty Five only) per Equity share payable in cash for an aggregate amount of upto Rs. 30,250,000/- (Rupees Three Core Two Lakh Fifty Thousand only) being 6.39% of the fully paid-up Equity Share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2018 through the **Tender Offer** mechanism (hereinafter referred to as the **“Buyback”**);

RESOLVED FURTHER THAT the Company may implement the Buyback of upto **10%** of its paid-up Equity Capital and free reserves of the Company as per the approval granted by way of this resolution pursuant to section 68 of the Companies Act, 2013, and in accordance with the SEBI Buyback Regulations;

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and placed before the meeting be and is hereby approved and Shri Sanjeev Rungta, Executive Chairman of the company and Shri Mukund Beriwal, Director of the company be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India;

RESOLVED FURTHER THAT as required by Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing shareholders on a proportionate basis, provided fifteen percent of the number of Shares which the Company proposes to buyback or number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as defined in the SEBI Buyback Regulations;

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders **including** Promoters, Promoters Group and Persons Acting in concert (such shareholders herein after collectively as **“Persons in Control”**) and that persons in control will be such persons as have been disclosed as such under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (**“SEBI Takeover Regulations”**)/ Shareholding patterns filed with the stock exchanges from time to time, as the Board may consider appropriate, from out of its free reserves and/or Share Premium Account and/or cash balances and/ or internal accruals 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 Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their Equity shares in the Buyback Offer.

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

- It shall not directly or indirectly purchase its own shares:
 - (a) through any subsidiary company including its own subsidiary companies; Or
 - (b) through any investment company or group of investment companies
- There are no defaults subsisting in the repayment of deposits or interest, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institutions or banks.
- It has not defaulted in payment of dividend to its equity shareholders as per sections 205, 205A and 207 of the Companies Act, 1956 and corresponding sections of Companies Act, 2013.
- It has filed annual returns as envisaged in section of the Companies Act, 1956 and Companies Act, 2013
- It has complied and will continue to comply with sections 92, 123, 127 and 129 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board do and hereby approve the appointment of Saffron Capital Advisors Private Limited, a SEBI registered, Category I Merchant Banker as 'Manager' to the Buyback, who has been appointed to act as a 'Manager' to the Buyback by the Company *vide* letter dated 30th March 2019.

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

- a) All Equity Shares of the Company are fully paid up;
- b) that the aggregate amount of the Buyback i.e. Rs30,250,000/- (Rupees Three Crore Two Lakh Fifty Thousand Only), does not exceed 10% of the total paid-up capital and free reserves as per the audited balance sheet as on March 31, 2018;
- c) that the number of Shares proposed to be purchased under the Buyback i.e. 5,50,000 Equity Shares, does not exceed 25% of the total number of Shares in the paid-up Equity Capital as per the audited balance sheet as on March 31, 2018;
- d) 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;
- e) that the debt equity ratio of the Company after the buyback will be well within the limit of 2:1 as prescribed under the Act.

RESOLVED FURTHER THAT as required by Clause (x) of Schedule I under Regulation 5(iv)(b) of the SEBI Buyback Regulations, the Board hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- a) Immediately following the date of the Board meeting held on 30th March 2019 there are no grounds on which the Company can be found unable to pay its debts;
- b) As regards the Company's prospects for the year immediately following the date of the Board meeting held on 30th March 2019 and having regard to the Board's intention with respect to the Management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

- c) In forming an opinion as aforesaid, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities)

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 April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and the Company shall approach the stock exchange (s), as may be required, for facilitating the same;

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

RESOLVED FURTHER THAT the powers of the Board in respect of buyback be and is hereby delegated to the Buyback Committee ('BBC') comprising of Shri. Sanjeev Rungta, Executive Chairman **and** Shri Mukund Beriwalla Director of the Company, ("**Members of the Committee**"). The BBC be and hereby authorized to take all necessary actions for executing the actions relating to the Buyback as above;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, including but not limited to finalizing the terms of buyback like the aggregate amount to be utilized for the buyback including the price and the number of Shares to be bought back within the statutory limits, the mechanism for the buyback, the timeframe for completion of the buyback, escrow arrangements, opening bank accounts for this purpose and authorizing persons to operate the said account, appointment of , brokers, escrow agents, printers, registrars, solicitors, depository participants and such other intermediaries/agencies for the implementation of the Buyback and carry out incidental documentation and to prepare applications and submit to the Appropriate Authorities for their requisite approvals as also to initiate all necessary actions for the preparation and issue of various documents including public announcement, draft and final letter of offer, declaration of solvency, extinguishment of Shares and certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Board;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to delegate all or any of the authorities conferred on it to any Officer(s) / Authorized Signatory(ies) of the Company;

RESOLVED FURTHER THAT Ms. Siddhi Shah, Company Secretary be and is hereby appointed as the Compliance Officer for the purpose of Buyback;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the BBC is hereby authorized to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;

RESOLVED FURTHER THAT the buyback is subject to:

- a) the buyback not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Regulations 38 of the LODR Regulations read with Rule 19 (2) and Rule 19A of the Securities Contract (Regulation) Rules , 1957, i.e maintaining the minimum public shareholding at 25%;
- b) the Equity Shares that may be bought back do not exceed the maximum number of Shares permissible;
- c) the aggregate consideration payable pursuant to the buyback not exceeding the offer size ; and
- d) complying with the statutory and regulatory timelines in respect of the buyback, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act and / or the Regulations and any other applicable Laws.

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

- a) 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, till the date of closure of this Buyback; and
- b) the Company shall not buy back 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

RESOLVED FURTHER THAT as per the provisions of regulation 24(i)(b) of SEBI Buyback Regulations, the Company shall not issue any Equity Shares or other specified securities including by way of bonus till the date of expiry of buyback period for the Buyback Offer;

RESOLVED FURTHER THAT as per the provisions of regulation 24(i)(d) of SEBI Buyback Regulations, the Company shall not withdraw the Buyback Offer after the draft letter of offer is filed with SEBI;

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in Equity Shares, if any and non-transferable Equity Shares, if any till the pendency of the lock-in or till the Equity Shares become transferable;

RESOLVED FURTHER THAT as per the provisions of regulation 24(i)(f) of SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback Offer, except in discharge of its subsisting obligations;

RESOLVED FURTHER THAT Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the Rules and Regulations framed there under;

RESOLVED FURTHER THAT as per the provisions of section 68(8) of the Act, the Company will not issue fresh Equity Shares within a period of six months after the completion of the buyback except by way of bonus Shares or Shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of Preference Shares or debentures into Equity Shares;

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

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

RESOLVED FURTHER THAT Shri Sanjeev Rungta , Executive Chairman of the Company and/or Ms. Siddhi Shah, Company Secretary of the Company be and are hereby severally authorized to send the necessary intimations to the Stock Exchanges in regard to this resolution, as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 7(i) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated April 01, 2019 for the Buyback of Equity Shares in Financial Express (English newspaper), Jansatta (Hindi newspaper) and Mumbai Lakshdeep (Marathi newspaper) published on April 02, 2019, within two working days

from the date of resolution of the board of directors meeting approving the Buyback, on March 30, 2019.

6. DETAILS OF THE BUYBACK

- 6.1 Pursuant to the resolution passed by the Board of Directors of Zenith Fibres Limited (“the **Company**”) on **March 30, 2019**, has approved the proposal for buyback of up to **5,50,000** fully paid-up equity shares of face value of Rs. 10 each (“**Shares**” or “**Equity Shares**”) of the Company from the existing shareholders / beneficial owners of Equity Shares of the Company, as on the Record Date (*hereinafter defined*), on a proportionate basis, through the tender offer process, in accordance with the provisions contained in **Article 7A** of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and the provisions contained in the Buyback Regulations as amended, subject to approval(s) as may be necessary, from statutory authorities including but not limited to Securities and Exchange Board of India (“**SEBI**”), BSE Limited, (“**BSE**” or “**Stock Exchange**”), Reserve Bank of India, etc. at a price of **Rs. 55/-** per Equity Share (“**Buyback Price**”) payable in cash, for an aggregate maximum amount of upto **Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only)** (“**Buyback Size**”), (“**Buyback**”/“**Buyback Offer**”). The Buyback Size represents **6.39%** of the aggregate of Company’s paid-up Equity Share Capital and Free Reserves as on March 31, 2018 which stands at **Rs. 47,31,35,596**.
- 6.2 The maximum amount required by the Company for the said Buyback aggregating to **Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only)** will be met out of the free reserves and / or cash balances and / or internal accruals of the Company. The maximum amount proposed to be utilized for the Buyback will not exceed 10% of the paid up Equity Share capital and Free Reserves of the Company as on March 31, 2018. The Company proposes to buyback a maximum of **5,50,000 (Five Lacs Fifty Thousand Only)** fully paid-up Equity Shares (“**Maximum Shares**”) of face value Rs. 10 each, in the proposed Buyback through tender offer. Further, under the Act, the number of equity shares that can be bought back cannot exceed 25% of the total paid-up equity share capital of the company in that financial year. The Company proposes to buyback up to **5,50,000 (Five Lacs Fifty Thousand Only)** Equity Shares representing **12.44%** of the total paid up equity share capital of the Company and the same does not exceed the limit of 25% of the Equity Share Capital in a financial year.
- 6.3 The Buyback is proposed to be implemented by the Company through Tender Offer Method from the Equity Shareholders on a proportionate basis; provided, however, 15% of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per their shareholding, whichever is higher, shall be reserved for Small Shareholders. As per Buyback Regulations, small shareholder means a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than Two Lakhs Rupees.
- 6.4 The particulars of the Equity Shares of the Company held by the Persons in Control of the Company, as on the date of the board meeting approving the Buyback, i.e March 30, 2019 (“Date of Buyback”) is given below:-

Sr. No.	Name of the Promoter and Promoter Group	Equity Shares held	% to the total paid up equity capital
1.	Aarti Aggarwal	2000	0.05
2.	Abhishake Rungta	10530	0.24
3.	Aman Rungta	9100	0.21
4.	Ashok Kumar Rungta (HUF)	*2400	0.05
5.	Madhuridevi Rungta	36100	0.82
6.	Pinky Rungta	5800	0.13
7.	Purvi Rungta	3000	0.07
8.	Rajeev Rungta (HUF)	1000	0.02

9.	Rajeev Rungta	6000	0.14
10.	Sanjeev Rungta	1800	0.04
11.	Vinita Rungta	1600	0.04
12.	Alpha Overseas International Private Limited	166700	3.77
13.	Classic Steels Private Limited	3000	0.07
14.	Demris Finvest Private Limited	481500	10.89
15.	Galaxy Dealers Private Limited	325810	7.37
16.	Rainy Fiscal Services Private Limited	560100	12.67
17.	Shark Barter Private Limited	450000	10.18
18.	South Park Promoters Private Limited	138166	3.12
19.	Vinita Investment Limited	18500	0.42
	Total	2223106	50.27

Source: BENPOS provided by Registrar to the Buyback Offer

* Application made for transmission of equity shares in favour of Ms. Madhuridevi Rungta

6.5 In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buyback. The Promoter and Promoter Group Members have vide their letter dated March 30, 2019, communicated about their intention to participate in the buyback, which is as follows:-

Sr. No.	Name of the Promoter and Promoter Group	Equity Shares held	% to the total paid up equity capital	Maximum shares indicated
1.	Abhishake Rungta	10530	0.24	10530
2.	Ashok Kumar Rungta (HUF)	*2400	0.05	2400
3.	Madhuridevi Rungta	36100	0.82	36100
4.	Purvi Rungta	3000	0.07	3000
5.	Rajeev Rungta (HUF)	1000	0.02	1000
6.	Rajeev Rungta	6000	0.14	6000
7.	Vinita Rungta	1600	0.04	1600
8.	Classic Steels Private Limited	3000	0.07	3000
9.	Galaxy Dealers Private Limited	325810	7.37	325810
10.	South Park Promoters Private Limited	138166	3.12	138166
11.	Vinita Investment Limited	18500	0.42	18500
	Total	546106	12.35	546106

* Application made for transmission of equity shares in favour of Ms. Madhuridevi Rungta

6.6 The details of date and price of acquisition of the Equity Shares those Promoters and Promoter Group who intend to tender in the Buyback Offer as certified by the management of the Company are stated below:

a) Mr. Abhishake Rungta

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	March 19, 1990	Allotment	1500	10/-
2	June 27, 1990	Allotment	2500	10/-
3	April 25, 1991	Allotment	1500	10/-
4	May 01, 1993	Public issue	930	10/-

5	February 10, 1996	Right issue	4100	15/-
TOTAL			10530	

b) **Ashok Kumar Rungta (HUF)**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	May 01, 1993	Public issue	*2400	10/-
TOTAL			2400	

* Application made for transmission of equity shares in favour of Ms. Madhuridevi Rungta

c) **Ms. Madhuridevi Rungta**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	March 19, 1990	Allotment	1500	10/-
2	May 01, 1993	Public issue	800	10/-
3	February 10, 1996	Right issue	28900	15/-
4	February 22, 2019- March 01, 2019	Transmission from Late Mr. Ashok Rungta	4900	NIL
TOTAL			36100	

d) **Ms. Purvi Rungta**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	January 31, 2015	Gift From Mr. Ajay Rungta	3000	NIL
TOTAL			3000	

e) **Rajeev Rungta (HUF)**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	April 03, 2013	Secondary Market Purchase	1000	95
TOTAL			1000	

f) **Mr. Rajeev Rungta**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	May 01, 1993	Public issue	1000	10
2	February 10, 1996	Right issue	4000	15

3	April 03, 2013	Secondary Market Purchase	1000	95
TOTAL			6000	

g) **Ms. Vinita Rungta**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	November 30, 2005	Secondary Market Purchase	1600	25/-
TOTAL			1600	

h) **Classic Steels Private Limited**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	November 30, 2005	Secondary Market Purchase	3000	25/-
TOTAL			3000	

i) **Galaxy Dealers Private Limited**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	December 27, 1999	Inter se Transfer	170500	0.50
2	December 27, 1999	Inter se Transfer	155310	1
TOTAL			325810	

j) **South Park Promoters Private Limited**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	November 26, 1997	Inter se Transfer	70800	2.5
2	January 24, 1998	Inter se Transfer	700	2.5
3	February 14, 2000	Inter se Transfer	66666	0.5
TOTAL			138166	

k) **Vinita Investment Limited**

Sr. No.	Date of Acquisition / Disposal	Nature of Transaction	Number of Equity Shares acquired / sold	Cost of Acquisition (Rs. Per share)
1	July 20, 2001	Inter se Transfer	18500	0.20
TOTAL			18500	

6.7 The Promoters or Persons who are in control of the Company have confirmed that they have not purchased or sold Equity Shares of the Company during six months preceding the Date of Buyback.

- 6.8 Further, the Promoter and Promoter Group members of the Company confirm that they have not purchased any Equity Shares of the Company from the Date of Buyback till the date of this Draft Letter of Offer.
- 6.9 The proposed Buyback will be made to the existing shareholders, **including** Promoters, Promoter Group and Persons Acting in concert (such shareholders herein after collectively referred to as “**Persons in Control**”) as on the Record Date. Persons in Control and will include such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (“**SEBI Takeover Regulations**”).
- 6.10 Pursuant to the proposed Buyback and depending on the response to the Buyback, the Voting Rights of the Promoter and Promoter Group in the Company may increase or decrease from their existing shareholding and Voting Rights in the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such further increase or decrease in Voting Rights of the Promoter and Promoter Group will not result in any change in control over the Company.
- 6.11 The Promoter and Promoter Group of the Company has undertaken that in case there is an increase in their voting rights beyond 75% of the paid up capital of the Company post Buyback, necessary steps will be taken to reduce their shareholding in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, so that the Company is in due compliance of the Minimum Public Shareholding (“**MPS**”) requirement. The Company and the Promoter and Promoter Group of the Company have undertaken to comply with the MPS requirements even after the Buyback.
- 6.12 The Promoter(s)-Director(s) of the Company confirm that they have not voted on the resolution at the meeting of the Board of Directors held on March 30, 2019 where the proposal for Buyback was passed.
- 6.13 The Board of Directors of the Company have confirmed 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.
- 6.14 All the Equity Shares which the Company proposes to Buyback are fully paid up.
- 6.15 The Company as per provisions of Section 68(8) of the Act, shall not make further issue of the same kind of equity shares or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion preference shares or debentures into equity shares.
- 6.16 The Company shall not issue any equity shares or other specified securities (including by way of bonus and employees’ stock option) from the Date of Board Meeting till the date on which the payment of consideration to shareholders who have accepted the Buyback Offer is made.
- 6.17 The Company shall not raise further capital for a period of 1 (one) year from the expiry of the Buyback Period except in discharge of its subsisting obligations. *For the purposes of the present Buyback, the expression “Buyback Period” means the period between the Date of Buyback and the date on which the payment of consideration to shareholders who have accepted the Buyback Offer is made.*
- 6.18 The Equity Shares bought back by the Company will be compulsorily cancelled and will not be held for reissuance.
- 6.19 The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buyback is made.

- 6.20 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.
- 6.21 Further, the Company will not accept shares tendered for Buyback which under restraint order of the court for transfer /sale and/or the title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificate have not been issued either due to such request being under process as per the provisions of law or otherwise.
- 6.22 The Company shall not Buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement.
- 6.23 The Company shall not directly or indirectly purchase its own equity shares through (i) any subsidiary company including its own subsidiary companies or; (ii) through any investment company or group of investment companies.
- 6.24 The funds borrowed from banks and financial institutions will not be used for the Buyback Offer.
- 6.25 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 Offer.
- 6.26 The Company shall not make any offer of buyback within a period of 1 (one) year reckoned from the date of expiry of the Buyback Period of the current Buyback Offer.
- 6.27 The Company confirms it is in compliance with Sections 92, 123, 127 and 129 of the Act.

7. AUTHORITY FOR THE BUYBACK

Pursuant to Sections 68, 69 and 70 and other applicable provisions of the Act, the SEBI Buyback Regulations and in terms of Article 7A of the Articles of Association of the Company, the Buyback through a tender offer route has been duly authorized by the resolution passed by the Board of Directors of the Company at their meeting held on March 30, 2019.

8. NECESSITY OF THE BUYBACK

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company to achieve the following objectives:

- (a) Optimize returns to shareholders; and
- (b) Enhance overall shareholders value.

Accordingly, the proposed objectives will be achieved by returning part of surplus cash back to Shareholders through the Buyback process. This may lead to reduction in outstanding Shares, improvement in Earnings per Share and enhanced return on invested capital. Further, the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

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

- 9.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only).
- 9.2 The Buyback is expected to result in overall enhancement of the shareholders' value and will not in any manner

impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

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

9.4 Consequent to the Buyback and based on the number of Shares bought back from the non-resident shareholders, foreign institutional investors, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change.

9.5 The Company confirms that the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Act, even if the response to the Buyback is to the extent of 100% (*assuming full acceptance in the Buyback Offer*).

9.6 The Persons in Control of the Company have confirmed that they will not deal in the Equity Shares of the Company during the Buyback Period.

9.7 **Salient financial parameters consequent to the Buyback based on the latest standalone audited results as on March 31, 2018 are as under:**

Parameters	Pre-Buyback	Post-Buyback
Networth (Rs.)	48,23,30,001	45,20,80,001
Return on Networth (%)	6.62	7.06
Earnings per Share (Rs.)	7.22	8.25
Book Value per Share (Rs.)	109.07	116.75
P / E as per the latest audited financial results*	13.29	11.63
Total Debt / Equity Ratio	0	0

*

Calculated based upon the Paid up Equity Share Capital as on March 31, 2018

** P/E Ratio based on the closing market price as on March 28, 2018 i.e. Rs. 95.95 (BSE)*

The post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact on the profit & loss account

10. BASIS OF CALCULATING THE BUYBACK PRICE

10.1.1 The Buyback Price of Rs. **55** has been arrived at after considering various factors, such as volume weighted average price of the equity shares of the Company on BSE (where the equity shares of the Company are listed) for a period of one month and six months preceding the Date of Notice of Buyback, closing price of the last trading day preceding the Date of Notice of Buyback, book value of the Company and the possible impact of the Buyback on the Earnings Per Share (“EPS”) and financial ratios of the Company and other relevant considerations.

10.1.2 The Buyback Price per Equity Share represents a discount of **(2.81)%** and **(7.82)%** over the volume weighted average price of the Company’s Equity Shares on BSE for the one month and six months respectively preceding the Date of Notice of Buyback.

10.1.3 The Equity Shares of the Company did not trade on the Date of Notice of Buyback and the date of meeting of the Board of Directors approving the Buyback, being March 30, 2019 (“**Date of Board Meeting**”) respectively (Source: www.bseindia.com).

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 The Equity Shares shall be bought back at a price of Rs. 55/- per Equity Share.
- 11.2 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback would be upto Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only).
- 11.3 The Buyback Size of upto Rs 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only) represents 6.39% of the aggregate of the paid up Equity Share Capital and free reserves of the Company as at March 31, 2018.
- 11.4 The maximum number of Shares to be bought back in the Buyback is 5,50,000 Equity Shares. The number of Shares to be bought back would constitute 12.44% of Equity capital of the Company, as on March 31, 2018.
- 11.5 The Company has confirmed that the funds for the Buyback will be made available from the current surplus and / or cash balances and / or internal accruals of the Company.
- 11.6 The Company does not propose raising debt for the Buyback. However, the Company may continue to borrow funds in the ordinary course of its business.

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

- 12.1 In accordance with Regulation 9 of the Buyback Regulations, the Company has appointed ICICI Bank Limited (the "Escrow Agent"). The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated [●], pursuant to which the Escrow Account in the name and style "[●]" bearing account number [●] has been opened with the Escrow Agent. The Company shall deposit requisite amount in the form of cash deposit and Saffron Capital Advisors Private Limited (Manager to the Buyback) shall be empowered to operate the Escrow Account in accordance with the Regulations.
- 12.2 Mr. Surendra Modiani, Partner at Surendra Modiani & Associates, Chartered Accountant (FRN: 126307W), located at 101, Opal Square, behind Express Hotel, Alkapuri, Vadodara- 390007; Email: surendramodiani@gmail.com; having Membership Number: 047966, has certified, vide letter dated March 30, 2019 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.
- 12.3 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure is as follows:

Particulars	(INR)
	Pre-Buyback
Authorised Share Capital- 60,00,000 Equity Shares of Rs.10 each	6,00,00,000

Source: Annual Report for FY 2018

- 13.2 Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the paid-up Equity Share Capital of the Company pre-Buyback and post-Buyback would be as follows:

Particulars	(INR)	
	*Pre-Buyback	Post-Buyback
Issued, Subscribed and Paid-up	4,42,23,460	3,87,23,460

Equity Share Capital	(comprising of 44,22,346 fully paid-up Equity Shares of face value Rs. 10 each)	(comprising of 38,72,346 fully paid-up Equity Shares of face value Rs. 10 each)
----------------------	---	---

* Source: Annual Report for FY 2018

13.3 The Company confirms that there are no partly paid up Shares or outstanding instruments convertible into equity shares or preference shares as on the date of the Public Announcement.

13.4 **The shareholding pattern of the Company pre-Buyback, taken as on the Date of Buyback, [§]March 30, 2019, as well as the post Buyback Shareholding, are as shown below:**

Category of Shareholder	No. of Shares Pre – Buyback	% to the existing Equity Share capital	^{§§} No. of Shares - Post Buyback	% to the existing Equity Share capital
Shareholding of Promoter / Promoter Group (“Persons in Control of the Company”)	2223106	50.27	[●]	[●]
Shareholding of the Non Promoter(s):				
Foreign Investors (including Non Resident Indians / Flls/ Foreign Nationals/ Foreign Corporate Bodies)	NIL	NIL	}	}
Financial Institutions /Banks & Mutual Funds/ Insurance Co.	7600	0.17		
Others (Individuals, Bodies Corporate, Employees, etc.)	2191640	49.56		
Total	4422346	100	3872346	100

[§] (Source: BENPOS received from the Registrar to the Buyback Offer)

^{§§} Promoter and Promoter Group may participate to the extent of maximum 546106 Equity Shares in the Buyback Offer. However, at all times the shareholding of Promoter and Promoter Group shall not exceed maximum permissible Non-Public Shareholding of the post Buyback Paidup Capital of the Company

* Assuming full acceptance of Equity Shares in the Buyback Offer

13.5 The Buyback will be implemented from the existing shareholders, including Persons in Control of the Company. None of the Persons in Control of the Company will transact in the Shares of the Company during the period of the Buyback.

13.6 Company confirms that there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

14. BRIEF INFORMATION OF THE COMPANY

14.1 History of the Company

14.1.1 The Company was originally incorporated as “Zenith Fibres Limited” as a public limited company under the provision of Companies Act, 1956 vide certificate of incorporation dated December 12, 1989 issued by the Registrar of Companies, Maharashtra. The Company received Certificate of Commencement of Business on February 09, 1990 from the Assistant Registrar of Companies, Maharashtra. The Corporate Identification Number of the Company is L17120MH1989PLC054580.

- 14.1.2 The Registered Office of the Company is located at 205, Marol Bhavan, 2nd Floor, Sir M V Road Marol, J B Nagar Post, Andheri East, Mumbai, Maharashtra, 400059 and the Corporate office of the Company is located at 103, Synergy House, Subhanpura Road, Vadodara-390023 Gujarat.
- 14.1.3 Company's plant is located at Block 458, Village Post Tundav, Taluka Savli, District Baroda, Gujarat
- 14.1.4 The Equity Shares of the Company are currently listed on BSE only. Script Code is 514266. ISIN of the Company is INE106C01013.
- 14.1.5 Company has not made any buyback of its Equity Shares in last three years.
- 14.1.6 In the year 1993, Company made its maiden public issue of 11,50,000 Equity Shares of Rs. 10 each at par for cash aggregating to Rs. 1,15,00,000. Equity Shares of the Company got listed on BSE w.e.f September 09, 1993.
- 14.1.7 In the year 1996, Company made rights issue of its Equity Shares in the ratio of 4 Equity Shares for every 5 Equity Shares held on the record date resulting into allotment of 25,02,727 Equity Shares of Rs. 10 each at a price of Rs. 15 per Equity Share for cash aggregating to Rs. 3,75,40,905.

14.2 Business Overview

14.2.1 The Company is engaged in manufacturing of entire range of Polypropylene Staple Fibre from very fine to coarse Denier. For further details about the business activities of the Company kindly refer to its website www.zenithfibres.com.

14.2.2 The total income of the Company for the financial years ended March 31, 2016-2018 was, Rs. 66,79,70,273, Rs. 54,32,40,673 and Rs. 39,62,68,425 respectively. Net profit/(loss) after Tax of the Company for the financial years ended March 31, 2016-2018 was Rs. 8,49,08,513, Rs. 5,35,56,719 and Rs. 3,19,38,931 respectively. (Source: Annual Report for financial years 2016-18 available on www.bseindia.com)

14.3 Details of changes in Management

There has no change in management of the Company.

14.4 Consolidation and Restructuring

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

14.5 Capital Built-up of the Equity Share Capital

Date of the allotment of Equity Shares	No. of Equity Shares	Face Value (Rs)	Issue Price (Rs.)	Nature of consideration- Cash/Other than Cash	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (Rs)	Cumulative Securities Premium (Rs.)
Subscription	70	10	10	Cash	Subscription	70	700	NIL
19/03/90	23000	10	10	Cash	Further Allotment	23070	230700	NIL
27/06/90	4200	10	10	Cash	Further Allotment	27270	272700	NIL
25/04/91	10900	10	10	Cash	Further Allotment	38170	381700	NIL

15/12/92	226800	10	10	Cash	Further Allotment	264970	2649700	NIL	
31/01/93	1735030	10	10	Cash	Further Allotment	2000000	20000000	NIL	
15/02/93									
25/02/93									
28/02/93									
01/05/93	1150000	10	10	Cash	Public issue	3150000	30951265	NIL	
03/08/95	101800	10	10	-	Wavier of Compound interest	3251800	31462500	NIL	
10/02/96	25,02,727	10	15	Cash	Right issue of 2502727 Equity shares of Rs 10 each at price of Rs 15 per share. Rs. 7.5 per share was payable on application	5754527	4,50,29,635	62,57,222	
Conversion of partly paid up Equity Shares into full paid up Equity Shares							50884365	91,83,588	
29/07/03	(1332181)	10	-	-	forfeiture of Equity Shares for non payment of call in arrears	4422346	50884365	-	
29/09/15	-	-	-	-	Forfeited shares cancelled and capital reduced	4422346	(6660905)	-	
Total						44,22,346	4,42,23,460	91,83,588	

14.6 The Details of the Board of Directors of the Company are as follows:

Sr. No.	Name of the Director/Age/DIN/ Address/Occupation	Tenure	Educational Details	PAN	Date of Appointment	Other Directorships
1	Shri Sanjeev Rungta DOB26/04/1960	Appointed as Whole Time Director w.e.f 1/04/2017 for a term of three	Mechanical Engineer from Michigan, USA	ADKPR4281M	05/10/1991	<ul style="list-style-type: none"> • Zenith Ropes Private Limited • Pearl Industries

Sr. No.	Name of the Director/Age/DIN/ Address/Occupation	Tenure	Educational Details	PAN	Date of Appointment	Other Directorships
	<p>DIN: 00053602</p> <p>1A, Gurusaday Road, Ballygunge Kolkata 700019</p> <p>Occupation: Business</p>	years				<p>Limited</p> <ul style="list-style-type: none"> • Maharashtra Seamless Limited
2	<p>Shri Mukund Balkrishna Beriwalla</p> <p>DOB: 29/08/1975</p> <p>DIN: 00053669</p> <p>2nd Floor, Palm Beach Building, 67/A Sir, Pochkhanwala Road, Worli, Mumbai 400025</p> <p>Occupation: Business</p>	Appointed as independent director w.e.f 29/05/2014 for a term of five years	B.A in Economics and has done advance course in Finance from the New York University.	AHBPB9705F	15/04/2002	<ul style="list-style-type: none"> • Kamal Realty Limited • Prism Management Consultancy Private Limited • Chandra Vidya Investment And Finance Private Limited • Super Star Developers Private Limited
3	<p>Shri Abhishake Rungta</p> <p>DOB: 27/03/1971</p> <p>DIN: 00053730</p> <p>1/A, Gurusaday Road, P.O. Ballygunge, Kolkata 700019</p> <p>Occupation: Business</p>	Appointed as Non Executive Director w.e.f 31/07/2004. There is no specific tenure fixed for him.	B.Com	ADHPR3480K	31/07/2004	<ul style="list-style-type: none"> • Aaekay Investment Centre Ltd • Zenith Products Ltd. • Classic Steels Pvt Ltd • Dalit Marketing Pvt Ltd • Galaxy Dealers Private Limited • Navigators Software Private Limited • Nettsetgo Software Private Limited

Sr. No.	Name of the Director/Age/DIN/ Address/Occupation	Tenure	Educational Details	PAN	Date of Appointment	Other Directorships
4	Shri Amitabha Jugalkishore Ghosh DOB: 30/08/1930 DIN: 00055962 Flat No-32, Mehr Naz, 91, Cuffe Parade, Mumbai 400005 Occupation: Business	Appointed as independent director w.e.f 29/05/2014 for a term of five years	Fellow member of the Indian Institute of Bankers and Institute of Chartered Accountants of India.	AAFPG7411C	18/10/1999	<ul style="list-style-type: none"> • Kesoram Industries Ltd • Avana Logistek Limited(Earlier Shreyas Relay Systems Limited) • Palit Consultancy LLP • Centenary Advisory Services LLP • Shreyas Shipping And Logistics Limited
5	Smt. Rashmiben Samirbhai Desai DOB: 20/06/1951 DIN: 02281570 8, Daxa Colony Nizampura Baroda, Gujarat 390002 Occupation: Attorney At Law	Appointed as independent director w.e.f 11/11/2017 for a term of five years	Science graduate and also a Masters in Law	ABOPD7470J	11/11/2017	<ul style="list-style-type: none"> • Solitaire Machine Tools Limited

^s as per details available on website www.mca.gov.in

14.7 Details of changes in the Board of Directors during last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name of the Director	Date of Appointment	Date of Cessation of Directorship	Remarks
Shri Rajeev Rungta	10/10/2008	30/03/2019	Due to personal reason
Smt. Rashmiben Samirbhai Desai	11/11/2017	-	-
Smt. Shraddha Mookim	8/11/2014	11/11/2017	Due to personal reason

15. FINANCIAL INFORMATION ABOUT THE COMPANY

The salient standalone financial information of the Company, as extracted from the audited results for the last three financial years and limited review financials for nine months period ended December 31, 2018 is detailed below:

(Amount in Rupees)

Key Financials	For nine months ended December 31, 2018	For the financial years ended		
		March 31, 2018	March 31, 2017	March 31, 2016
Net Sales	54714000	36,98,23,229	52,14,19,169	63,83,37,522
Other Income	8175000	2,64,45,196	2,18,21,504	2,96,32,751
Total Income	62889000	39,62,68,425	54,32,40,673	66,79,70,273
Total Expense (excluding Interest, Depreciation, Tax and Exceptional Items)	61459000	32,61,19,605	42,41,70,409	52,56,81,745
Interest Expense / (Income)	65000	10,44,376	24,29,271	26,71,926
Depreciation	1498000	55,05,533	61,95,440	72,03,635
Exceptional Items	-	-	-	-
Profit/(Loss) Before Tax	(277000)	4,77,68,921	8,20,01,136	13,17,13,977
Provision for Tax	144000	1,58,29,990	2,84,44,417	4,68,05,464
Profit/(Loss) After Tax	(133000)	3,19,38,931	5,35,56,719	8,49,08,513
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement of Defined Benefit Obligation	-	(18,85,953)	-	-
Income Tax effect relating to items that will not be reclassified to profit & loss	-	5,24,672	-	-
Total Comprehensive Income for the Year	-	3,05,77,650	-	-
Equity Dividend (including dividend tax)	-	1,06,45,263	1,57,18,838	1,31,36,625
Paid-up Equity Share Capital	4,42,23,460	4,42,23,460	4,42,23,460	4,42,23,460
Reserve & Surplus excluding revaluation reserves and capital reserves	424206347	41,97,28,548	39,41,16,904	34,05,60,187
Net worth excluding revaluation reserves and capital reserves	46,84,29,807	46,39,52,008	43,83,40,364	38,47,83,647
Loan Funds	-	-	-	-
Long Term Borrowings	-	-	--	15,80,693
Short Term Borrowings	-	-	-	-
Key Ratios	For nine months ended December 31, 2018	For the financial years ended		
		March 31, 2018	March 31, 2017	March 31, 2016
No. of shares (as at end of the period)	4422346	4422346	4422346	4422346
Book value (Rs.)	110.08	109.07	103.28	91.16
Return on Net Worth excluding revaluation reserves and capital reserves (%)	(0.03)	6.59	12.22	22.07
Earnings Per Share (Rs.)	.(0.03)	7.22	12.11	19.20

Debt / Equity Ratio	0	0	0	0
The key ratios have been computed as below:				
Key Ratios	Basis			
Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year			
Book value per Share (Rs.)	(Paid up Equity Share Capital + Free Reserves) / No of Equity Shares at the end of the year			
Return on Net Worth excluding revaluation reserves (%)	Net Profit After Tax / (Paid up Equity Share Capital + Free Reserves)			
Debt-Equity Ratio	Total Debt / (Paid up Equity Share Capital + Free Reserves)			

The Company shall comply with the SEBI Takeover Regulations wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013, as amended and will comply with Regulation 23 of the SEBI Buyback Regulations, as and when applicable.

16. STOCK MARKET DATA

The Equity Shares of the Company are currently listed on BSE only. The high, low and average market prices in preceding three financial years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from October 2018 to March 2019 and the corresponding volumes on BSE are as follows:

BSE

Period	High (Rs.)	Date of High	No. of Shares traded on that date	Low (Rs.)	Date of Low	No. of Shares traded on that date	Average Price#	Total Volume traded in the period
FY 2018-19	103.45	April 06, 2018	698	50.95	March 20, 2019	10233	72.08	407785
FY 2017-18	161	May 10, 2017	7263	89.1	March 26, 2018	12417	122.88	987449
FY 2016-17	227.35	November 01, 2016	5373	115	February 17, 2017	3574	148.92	1649983
March 2019	69.9	March 26, 2019	24412	50.95	March 20, 2019	10233	59.64	124140
February 2019	62.5	February 14, 2019	276	52	February 06, 2019	5014	57.89	9940
January 2019	68	January 28, 2019	2018	57.05	January 30, 2019	111	60.61	13490
December 2018	71.3	December 11, 2018	4038	57.05	December 28, 2018	2015	61.69	15445
November 2018	69.9	November 15, 2018	490	51.5	November 26, 2018	2270	64.11	9325
October 2018	71.95	October 01, 2018	5622	53.5	October 01, 2018	5622	62.83	37424

(Source: www.bseindia.com)

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

THE CLOSING MARKET PRICE OF THE EQUITY SHARES OF THE COMPANY:

- The closing price of the Equity Shares of the Company on March 29, 2019 i.e. the trading day before the Date of Buyback was Rs. 66.10.
- The Equity Shares of the Company did not trade on March 30, 2019 i.e. the Date of Buyback.
- The closing price of the Equity Shares of the Company on April 01, 2019 i.e. the trading day after the Date of Buyback was Rs. 54.55.
- The closing price of the Equity Shares of the Company on April 02, 2019 i.e. the trading day immediately after April 01, 2019 being the date of Public Announcement was issued was Rs. 54.60. (Source: www.bseindia.com)

17. DETAILS OF THE STATUTORY APPROVALS

- 17.1 The Buyback is subject to the receipt of approval from the Reserve Bank of India ("RBI"), if any, for acquiring Shares validly tendered in the Buyback from Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB"). The Company, if required, will make necessary applications to RBI to obtain the requisite approvals on behalf of the shareholders in respect of whom such prior RBI approval may be required. The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required. It shall not accept Shares from the shareholders, in respect of whom prior RBI approval is required, in the event the aforesaid RBI approval is refused.
- 17.2 The Company has the option to make payment to the shareholders in respect of whom no RBI approval is required who have validly tendered their Shares in the Buyback as per the basis of acceptance (if any). In case of delay in receipt of the RBI approval, after the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.
- 17.3 As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of the statutory / regulatory approvals are delayed, changes to the proposed timetable, if any, shall be intimated to the Stock Exchange, and hence made available for the benefit of Shareholders.

18. DETAILS OF REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

REGISTRAR TO THE BUYBACK



Formerly Known as Mondkar Computers Pvt. Ltd.

Universal Capital Securities Private Limited

21/25 Shakil Niwas, Opp Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400093

Tel. No.: +91 22 28207203-05 / 28257641;

Fax No.: +91 22 28207207;

E-mail: khade@unisec.in;

Website: www.unisec.in;

SEBI Registration Number: INR000004082

Validity: Upto April 17, 2020.

Contact Person: Sunil Khade

Shareholders residing at a location where there is no collection centre, should send the Tender Form and relevant documents to the Registrar to the Buyback at its Mumbai office by mode mentioned herein below.

Collection Centres

The Tender Form can be submitted on any working day during the period of the Buyback Offer i.e. [●] ([●]) to [●] ([●]), (both the days inclusive), except Saturdays, Sundays & Public Holidays, at the below mentioned address between 10 A.M. to 5 P.M.:

Universal Capital Securities Private Limited

21/25 Shakil Niwas, Opp Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400093

Tel. No.: +91 22 28207203-05 / 28257641;

Fax No.: +91 22 28207207;

E-mail: khade@unisec.in;

Website: www.unisec.in;

SEBI Registration Number: INR000004082

Validity: Upto April 17, 2020.

Contact Person: Sunil Khade

Note: Shareholders can also send the Tender Form by courier/speed post/registered post so as to reach Registrar to Buyback, Mumbai, by superscribing the envelope as *Zenith Fibres Limited- Buyback Offer*". The Tender Form should reach Registrar to Buyback before 5 P.M. on [●] ([●]), failing which the same will be rejected.

19. ENTITLEMENT RATIO AND BASIS OF ACCEPTANCE OF SHARES

19.1.1 The Company proposes to buyback up to maximum of **5,50,000** fully paid up Equity Shares of face value Rs. 10 each, from the Existing Shareholder(s)/Beneficial owner(s) of Equity Shares of the Company through the Tender Offer Route in accordance with Sections 68, 69 and 70 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, as amended, at a price of Rs. **55-** per Share payable in cash for an aggregate amount of Rs. 3,02,50,000 (Rupees Three Crores Two Lacs Fifty Thousand only). The Buyback size represents **6.39%** of the paid-up Equity Share Capital and free reserves of the Company as on March 31, 2018. The maximum number of Equity Shares proposed to be bought back is **5,50,000** Equity Shares of face value Rs. 10 each, being **12.44%** of the total paid up Equity Capital of the Company.

19.1.2 The Promoters / Promoter Group / Persons in Control do intend to offer a maximum of **5,46,106** Equity Shares under the proposed Buyback. The aggregate shareholding of the Promoters is 2223106 Equity Shares of face value Rs. 10 each out of total 4422346 Equity Shares of face value Rs. 10 each i.e. 50.27% of the existing Equity Share capital of the Company. Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the Voting Rights of the Promoter and Promoter Group in the Company may increase or decrease from their existing shareholding and Voting Rights in the Company.

19.1.3 RECORD DATE AND RATIO OF BUYBACK AS PER THE ENTITLEMENT IN EACH CATEGORY

19.1.3.1 The Board of Directors in their meeting held on March 30, 2019 announced, **Friday, April 12, 2019** as Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback Offer.

- 19.1.3.2 The Shares to be bought back as a part of this offer is divided in to two categories:-
 (a) Reserved category for Small Shareholders, and
 (b) The General Category for other shareholders

As defined in the SEBI Buyback Regulations, Small Shareholder means a shareholder of a listed company, who holds Shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than rupees two lacs. As on Record Date, the closing price on BSE, was Rs. [●].

19.1.3.3 Based on the above definition, there are Small Shareholders in the Company with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●] % of the number of Equity Shares which the Company proposes to buyback as a part of this Offer.

19.1.3.4 The entitlement of Small Shareholders as on Record Date in proportion to the total paid up capital of the Company is [●] equity shares $[(\frac{[●]}{[●]}) * [●]]$

19.1.3.5 The number of equity shares offered for Small Shareholders in the Buyback Offer is **82,500** being 15% of **5,50,000, which is the total number of shares proposed to bought back.**

19.1.3.6 In compliance with Regulation 6 of the SEBI Regulations, the reservation for the Small Shareholders, **WILL BE HIGHER OF:-**

- i) Fifteen percent of the number of securities which the company proposes to Buyback i.e. 15% of **5,50,000** Equity Shares which works out to **82,500** Equity Shares or
- ii) The number of securities entitled as per their shareholding as on Record Date [i.e. $(\frac{[●]}{[●]}) * [●]$] which works out to be [●] Equity Shares.

19.1.3.7 All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intends to participate in the Buyback Offer.

19.1.3.8 **Based on the above and in accordance with Regulation 6 of the Buyback Regulations [●], Equity Shares being higher of i) and ii) of point 19.1.3.6 above, have been reserved for Small Shareholders ("Reserved Buyback Size for Small Shareholders").**

19.1.3.9 Accordingly, General Category for Other Shareholders shall consist of [●] Shares ("**Balance Buyback Size**").

19.1.3.10 Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Ratio of Buyback
Reserved category for Small Shareholders	[●] Equity shares out of every [●] fully paid up Equity shares held on the Record date
General category of other shareholders	[●] Equity shares out of every [●] fully paid up Equity shares held on the Record date

19.1.3.11 FRACTIONAL ENTITLEMENTS

19.1.3.11.1 Reserved category for Small Shareholders:

The entitlement of Small Shareholders shall be computed by applying multiple of [●] on the total number of Equity Shares held by them on the Record Date. Any fractional component of their entitlement shall be ignored for computation of their entitlement to tender Shares in Buyback Offer. On account of ignoring the fractional entitlement, those Small Shareholders who hold 1 (One) Equity Share as on the Record Date and are therefore entitled to tender zero Equity Shares in the Buyback Offer will be dispatched a Tender Form with zero entitlement. However, such Small Shareholders shall be entitled to tender their Equity Shares by way of additional Equity Shares as part of the Buyback Offer, and will be given preference in the Acceptance of one Equity Share.

19.1.3.11.2 General Category of other Shareholders:

The entitlement of General Category Shareholders shall be computed by applying multiple of [●] on the total number of Equity Shares held by them on the Record Date. Any fractional entitlement of their entitlement shall be ignored for computation of entitlement in Buyback Offer.

19.1.4 BASIS OF ACCEPTANCE OF SHARES

Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders:

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

19.1.4.1 Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.

19.1.4.2 Post the acceptance as described in Clause 19.1.4.1 above, in case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares as part of the Buyback Offer, shall be given preference and one share each from the Additional Shares applied by these Small Shareholders shall be bought back in the Reserved Category.

19.1.4.3 Post the acceptance as described in Clauses 19.1.4.1 and 19.1.4.2 above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with Clause 19.1.4.2 above, shall be reduced by one.

19.1.4.4 **Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.1.4.3 above:**

19.1.4.4.1 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis

is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

19.1.4.4.2 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

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

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Other Shareholders in the General Category in the following order of priority:

19.1.5.1 Full Acceptance of Equity Shares from Other Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.

19.1.5.2 Post the acceptance as described in Clause 19.1.5.1 above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Other Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in General Category.

19.1.5.3 Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.1.5.2 above:

19.1.5.3.1 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

19.1.5.3.2 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.1.6 Basis of Acceptance of Shares between Categories:

19.1.6.1 In case there are any Shares left to be bought back in one category ("Partially filled Category") after acceptance in accordance with the above described methodology for both the Categories, and there are Additional unaccepted validly tendered Shares in the second Category, then the Additional Shares in the second Category shall be accepted proportionately i.e. valid acceptances per shareholder shall be equal to the Additional outstanding Shares validly tendered by a shareholder in the second Category divided by the total Additional outstanding Shares validly tendered in the second Category and multiplied by the total Pending number of Shares to be bought back in the Partially filled Category.

19.1.6.2 If the Partially filled Category is the General Category for Other Shareholders and the second Category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Shares tendered by such Small Shareholders, from whom one Share has been accepted in accordance with Clause 19.1.4.2, shall be reduced by one. If the Partially filled Category is the Reserved Category for Small Shareholders, then the methodology as provided and explained in point# 19.1.6.1 above, shall be followed.

19.1.6.3 Adjustment for fraction results in case of proportionate acceptance, as defined in Clause 19.1.6.1 above:

19.1.6.3.1 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

19.1.6.3.2 For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.1.7 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback from each Shareholder, in accordance with Clause 19.1.3, 19.1.4, 19.1.5 and 19.1.6 above, shall not exceed the number of Shares tendered by the respective Shareholder.

19.1.8 For the avoidance of doubt, it is clarified that the Equity Shares accepted under the Buyback from each Shareholder, in accordance with Clause 19.1.3, 19.1.4, 19.1.5, 19.1.6 and 19.1.7 above, shall not exceed the number of Shares held by the respective Shareholder, as on the Record Date.

19.1.9 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with Clause 19.1.3, 19.1.4, 19.1.5, 19.1.6, 19.1.7 and 19.1.8 above.

20. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

20.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date. Please refer to point# 20.17 of this Draft Letter of Offer for tender of Equity Shares held in physical form.

20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. The Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.

20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.

20.5 Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 19 of this Draft Letter of Offer.

20.6 The maximum tender under the Buyback by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.

- 20.7 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and Circular No. CFD/DCR2/CIR/ P/2016/131 dated December 09, 2016, issued by Securities Exchange Board of India and in accordance with the procedure prescribed in the Companies Act and the Buyback Regulations as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- 20.8 For implementation of the Buyback, the Company has appointed Choice Equity Broking Private Limited as the registered broker to the Company (the “**Company's Broker**”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:
- Name:** Choice Equity Broking Private Limited
- Address:** Choice House, Shree Shakambhari Corporate Park, Plot No. 156-158, J B Nagar, Andheri (East), Mumbai-400099
- Contact Person:** Mr. Sheetal Murarka
- Tel.:** 022-67079857
- E-mail ID:** compliance@choiceindia.com; sheetal.murarka@choiceindia.com
- 20.9 The Company will request BSE to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- 20.10 All Eligible Persons may place orders in the Acquisition Window, through their respective stock brokers (“Seller Member(s)”).
- 20.11 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Persons through their respective Seller Members during normal trading hours of the secondary market.
- 20.12 Seller Members can enter orders for demat Shares only.
- 20.13 Modification / cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback Offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- 20.14 The cumulative quantity tendered shall be made available on BSE’s website – www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.15 In the event Seller Member(s) of Eligible Persons is not registered with BSE then that Eligible Person can approach the Company’s Broker as defined in Point # 20(8) above and tender the shares through the Company’s Broker after submitting the details as may be required by the Company’s Broker to be in compliance with the SEBI regulations.

20.16 PROCEDURE TO BE FOLLOWED BY EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN THE DEMATERIALISED FORM

- 20.16.1 Eligible Sellers who desire to tender their Equity Shares in the electronic/ dematerialized form under Buyback would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buyback.
- 20.16.2 The Seller Member would be required to place an order/ bid on behalf of the Eligible Sellers who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Seller would be required to transfer the tendered Equity Shares to the Special Account of Clearing Corporation (referred to as the “**Clearing Corporation**”), by using the early pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the Seller Member.
- 20.16.3 The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation.
- 20.16.4 For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/ bid by custodians. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- 20.16.5 Upon placing the order, the Seller Member shall provide transaction registration slip (“**TRS**”) generated by the Stock Exchanges’ bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, client ID, no. of Equity Shares tendered, etc.
- 20.16.6 The maximum tender under Buyback by any Equity shareholder of the Company cannot exceed the number of Equity Shares held by such Equity Shareholder of the Company as on the Record date.
- 20.16.7 The Equity Shares tendered as per the entitlement by the Equity Shareholder of the Company as well as additional Equity Shares Tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.
- 20.16.8 Detailed instructions for participation in the Buyback (*tendering of Equity shares in 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 Equity Shareholders of the Company as on the Record date.

20.17 PROCEDURE TO BE FOLLOWED BY REGISTERED EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN THE PHYSICAL FORM

- 20.17.1 As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
- 20.17.2 In this Buyback, considering the timelines of activities prescribed under the Buyback Regulations, the acceptance of tendered shares will be undertaken after April 01, 2019. **ACCORDINGLY, THE PUBLIC SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM AND ARE DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE BUYBACK CAN DO SO ONLY AFTER THE EQUITY**

SHARES ARE DEMATERIALIZED. SUCH PUBLIC SHAREHOLDERS ARE ADVISED TO APPROACH ANY DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED.

20.18 IN CASE OF NON-RECEIPT OF THE LOF

20.18.1 **In case the Shares are in dematerialized form:** An Eligible Person may participate in the Offer by downloading the Tender Form from the website of the Company i.e www.zenithfibres.com or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

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

20.18.3 **The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Person(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.**

20.19 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Person, shall not invalidate the Buyback Offer in any way.

20.20 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.21 METHOD OF SETTLEMENT

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

20.21.1 The Company will pay consideration to the Clearing Corporation on or before the pay in date for settlement. For Equity shares accepted under Buyback, the Equity Shareholders will receive funds payout in their bank account from the Clearing Corporation.

20.21.2 The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for Buyback ("Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.

20.21.3 The Eligible Sellers will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.

20.21.4 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Sellers would be returned to them by Clearing Corporation.

- 20.21.5 The Clearing Corporation would settle the trades by making direct funds payout to the Eligible Sellers and the Seller Member would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Eligible Sellers bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Eligible Sellers will be transferred to the Seller Member for onward transfer to the Eligible Sellers.
- 20.21.6 Eligible Sellers who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Sellers for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Seller, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Sellers.
- 20.21.7 The Equity Shares lying to the credit of the Demat Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

21. NOTE ON TAXATION

The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Act. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated". Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act, 1961 ("IT Act"). Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below. Taxability of Capital Gain in the hands of the Public Shareholders:

- 21.1 The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding INR 100,000 (Indian Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

21.2 As per section 111A of the Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).

21.3 Any applicable surcharge and education cess would be in addition to above applicable rates.

21.4 In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Company shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Buyback Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

21.5 The tax implications are based on provisions of the IT Act as applicable as on date of this Draft Letter of Offer. In case of any amendment made effective prior to the date of closure of this Buyback Offer, then the provisions of the IT Act as amended would apply. Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Buyback Offer, before the Indian income tax authorities.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED BUYBACK OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY AND THE MANAGER TO THE BUYBACK DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS BUYBACK OFFER

22. DECLARATION BY THE BOARD OF DIRECTORS

The Board of Directors of the Company have confirmed that based on such full inquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- Immediately following the date of the Board meeting held on March 30, 2019 there are 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 March 30, 2019 and having regard to the Board's intention with respect to the Management of Company's business during that year, and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- Confirm that in forming an opinion as aforesaid, the Board of Directors have taken in to account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on March 30, 2019.

23. **The text of the report dated March 30, 2019 received from Surendra Modiani & Associates, Chartered Accountant, the statutory auditor of the Company addressed to the Board of Directors of the Company is reproduced below:**

Quote

Independent Auditor's Report on Buyback of Equity Shares pursuant to the requirement of Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended.

To,
Board of Directors
Zenith Fibres Limited
205, Marol Bhavan,
Marol Co-op. Ind. Estate Ltd, M.V. Road,
J.B. Nagar Post, Andheri East,
Mumbai-400059

1. This Report is issued in accordance with the terms of our engagement letter dated 27th March, 2019.
2. The Board of Directors of the Company have approved a proposal for buyback of equity shares by the Company at its Meeting held on March 30, 2019, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") read with Buyback Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying "Statement of determination of Permissible Capital Payment (including premium)" (**"Annexure A"**) as at March 31, 2018 (hereinafter referred to as the "**Statement**"). This Statement has been prepared by the Management, which we have initialed for the purposes of identification only.

Board of Directors Responsibility

4. The preparation of the statement of determination of the permissible capital payment (including premium) towards buy-back of Equity Shares ("**Statement**"), as set out in **Annexure A** hereto, initialed by us for identification purpose only, is the responsibility of the Board of Directors 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.
5. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting and the date of the Letter of Offer.

Auditor's Responsibility

6. Pursuant to the requirements of clause (xi) of Schedule I of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

- (i) Whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Companies Act, 2013; and
 - (ii) Whether the Board of Directors in their meeting dated March 30, 2019 has formed the opinion, as specified in Clause (x) of Schedule I to the 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 the Board Meeting and the date of the Letter of Offer.
7. The Financial statement has been prepared based on the audited standalone financial statements for the year ended March 31, 2018 of the Company.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or 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.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on our examination as above, inquiries conducted and the information and explanations given to us, we report that;
- i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended March 31, 2018 as approved by the Board of Directors in the meeting held on May 24, 2018 and unaudited results for the nine months ended December 31, 2018, which were subjected to the limited review, as approved by the Board of Directors in their meeting held on March 02, 2019.
 - ii) The amount of permissible capital payments (including premium) towards the proposed buyback of equity shares as computed in the statement attached herewith as Annexure A, is in our view properly determined in accordance with 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 March 31, 2018 and
 - iii) The Board of Directors in their meeting held on March 30, 2019 have formed the opinion, as specified in clause (x) of Schedule I of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the passing the Board Resolution on March 30, 2019.

Restriction on Use

11. This report has been issued at the request of the Company solely for use of the Company in connection with the proposed buyback of equity shares of the Company, pursuant to the requirements of the Regulations solely, to enable them to include it (a) in the Explanatory Statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and the letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies, as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person, or for any other purpose

Place: VADODARA
Date: March 30, 2019

SURENDRA MODIANI
Partner
Membership No. 047966
UDIN: 19047966AAAAAB8751

Annexure A

Statement of determination of the permissible capital payment (including premium) towards buy-back of equity shares ("Statement") in accordance with Section 68(2) of the Companies Act, 2013

	Particulars	Amount (in ₹)	Amount (in ₹)
A	Total paid-up share capital and free reserves as on March 31, 2018 based on the audited standalone financial statements of the Company		
a.	Total paid-up share capital		4,42,23,460
	Free reserves, comprising of		
	- Securities premium account	91,83,588	
	- Surplus / (Deficit) in the statement of profit and loss	11,16,67,455	
	- General Reserves	31,10,00,000	
	- Other Comprehensive Income	(29,38,907)	
b.	Total free reserves		42,89,12,136
	Total paid-up share capital and free reserves (sum of a & b)		47,31,35,596
B	The amount of maximum permissible capital payment (including premium) towards the buy-back being lower of;		30,250,000/-
	(a) 10% of total paid-up share capital and free reserves as on March 31, 2018	4,73,13,560	
	(b) Maximum amount approved by the Board of Directors at their meeting held on March 30, 2019	30,250,000	

For Zenith Fibres Limited

Authorized Signatory

Place: Baroda

Date: 30.03.2019

Unquote

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at 205, Marol Bhavan, 2nd Floor, Sir M V Road Marol, J B Nagar Post, Andheri East, Mumbai, Maharashtra, 400059, between 10 am and 5 p.m. on all working days except Saturdays, Sundays and Public Holidays during the Offer

period:

- 24.1 Certificate of Incorporation;
- 24.2 Memorandum and Articles of Association of the Company;
- 24.3 Annual reports of the Company for the financial years 2014 to 2018;
- 24.4 Limited Review Financials for the nine months period ended December 2018;
- 24.5 Copy of the certificate dated March 30, 2019 received from the statutory auditors of the Company, Surendra Modiani, Chartered Accountants certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations;
- 24.6 Copy of the certificate dated March 30, 2019 received from the statutory auditors of the Company, Surendra Modiani, Chartered Accountants in terms of clause (xi) of Schedule I of the Buyback Regulations;
- 24.7 Copy of resolution passed by the Board of Directors at their meeting held on March 30, 2019 approving the Buyback;
- 24.8 Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014;
- 24.9 Copy of Public Announcement dated April 01, 2019 published in the newspapers on April 02, 2019 regarding Buyback of Equity Shares;
- 24.10 Escrow Agreement dated [●] between the Company, Saffron Capital Advisors Private Limited and ICICI Bank Limited;
- 24.11 Confirmation letter by the Escrow Agent dated [●] that the Escrow Amount being 25% of the Buyback Offer has been deposited;
- 24.12 SEBI letter no. [●] dated [●], 2019 issued for Draft Letter of Offer

25. DETAILS OF THE COMPLIANCE OFFICER

The Board at their meeting held on March 30, 2019 appointed Ms. Siddhi Shah, Company Secretary, as the compliance officer for the purpose of the Buyback ("Compliance Officer"). Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:-

Ms. Siddhi Shah

Zenith Fibres Limited

205, Marol Bhavan, 2nd Floor, Sir M V Road Marol,
J B Nagar Post, Andheri East, Mumbai, Maharashtra, 400059

Tel. No.: 022-28599428;

Fax No.: 022-28599429

Email: cs.shah@zenithfibres.com

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

- 26.1 In case of any grievances relating to the Buyback the investor can approach the Compliance Officer for redressal.
- 26.2 If a Company makes any default in complying with the provisions of section 68 of the Act or any regulation made by the Securities and Exchange Board, for the purposes of clause (f) of sub-section (2) of section 68, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both.
- 26.3 The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies, Everest, 5th floor, 100 marine drive, Mumbai, Maharashtra 400002

27. **DETAILS OF INVESTOR SERVICE CENTRE**

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day during the Offer period, except Saturday, Sunday and Public holidays between 10 AM and 5 PM at the following address:



UNIVERSAL CAPITAL
SECURITIES PVT LTD.
Formerly Known as Mondkar Computers Pvt. Ltd.

Universal Capital Securities Private Limited

21/25 Shakil Niwas, Opp Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai - 400093

Tel. No.: +91 22 28207203-05 / 28257641;

Fax No.: +91 22 28207207;

E-mail: khade@unisec.in;

Website: www.unisec.in;

SEBI Registration Number: INR000004082

Validity: Upto April 17, 2020.

Contact Person: Sunil Khade

28. **DETAILS OF THE MANAGER TO THE BUYBACK**

The Company has appointed the following as Manager to the Buyback:



••••• *energising ideas*

Saffron Capital Advisors Private Limited

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

Tel. No.: +91 22 4082 0914

Fax No.: +91 22 4082 0999

Email id: buybacks@saffronadvisor.com

Website: www.saffronadvisor.com

Investor grievance: investorgrievance@saffronadvisor.com

SEBI Registration Number: INM000011211

Contact Person: Amit Wagle / Shikha Jain

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

As per Regulation 24 of the Buyback Regulations, the Board of Directors of the Company accept full and final responsibility for the information contained in this Draft Letter of Offer. The Draft Letter of Offer is issued under the authority of the Board of Directors through resolution passed by the Board of Directors at their meeting held on March 30, 2019.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF ZENITH FIBRES LIMITED

Sd/-

Sanjeev Rungta

Chairman

DIN: 00053602

Sd/-

Mukund Beriwal

Director

DIN: 00053669

Sd/-

Siddhi Shah

**Company Secretary and Compliance
Officer**

Place: Mumbai

Date: April 05, 2019