

FINEOTEX[®]

A Speciality Chemical Producing
Public Listed Company



30th July, 2020

To,

General Manager,
Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001
Company code: 533333

The Manager,
Listing & Compliance Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051
Company code: FCL

Dear Sirs/Madam,

Subject:- Regulation 7 Securities And Exchange Board Of India (Buy-Back Of Securities) Regulations, 2018 and 30, Schedule III of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

With reference to the above caption subject, we enclose Public Announcement for Buy Back, requesting you to kindly take this in your record.

Kindly acknowledge receipt of the same.

Thanking You,

Yours faithfully,

For FINEOTEX CHEMICAL LIMITED


Hemant Auti
Company Secretary



FCL

FINEOTEX CHEMICAL LIMITED

42 & 43, Manorama Chambers, S.V. Road, Bandra (West), Mumbai - 400 050. India. Phone : (+91-22) 2655 9174/75/76/77
Fax : (+91-22) 2655 9178 E-mail : info@fineotex.com Website : www.fineotex.com CIN - L24100MH2004PLC144295

FINOX CHEMICAL LIMITED
 (CIN: L24100M2004PL142295)
 Registered Office: 42/43, Manorama Chambers, SV Road, Bandra (West), Mumbai 400050, Maharashtra, India.
 Phone: +91 22 2655 9174 | Fax: +91 22 2655 9178 Email: cs@finoxchem.com; www.finoxchem.com
 Contact Person: Mr. Hemant Kison Auli (Company Secretary & Compliance Officer)

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF FINOX CHEMICAL LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.
 This Public Announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 16(v)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buy-Back Regulations") and contains the disclosures as specified in Schedule IV read with Schedule I of the Buy-Back Regulations.

OFFER FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM.

1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE

1.1. The Board of Directors of Company (hereinafter referred to as the "Board", which expression includes any committee duly constituted by the Board to exercise its powers, and / or the powers conferred by the Board resolution, and its meeting held on July 27, 2020 ("Board Meeting"), has, pursuant to the provisions of Articles of Association of the Company and Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013 ("Act") and applicable rules made there under and in compliance with the Buy-Back Regulations and subject to such other approvals, permissions and sanctions as may be necessary, excepted with the approval of the Board of Directors of the Company, has approved the offer for buy-back of equity shares through the stock exchange mechanism using the open market through stock exchange mechanism as prescribed under the Buy-Back Regulations from the equity shareholders/beneficial owners of the Equity Shares of the Company other than the promoter, members of promoter group and persons acting in concert of the Company ("Promoter and Persons in Concert") at a price not exceeding ₹ 40/- (Indian Rupees Forty Only) per Equity Share ("Maximum Buy-Back Price") payable in cash for an aggregate amount not exceeding ₹ 4,40,00,000/- (Indian Rupees Four Crores and Forty Lakhs Only) excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement expenses, filing fees, turnover charges, applicable stamp duty and securities transaction tax, goods and services tax, income tax, stamp duty and other incidental and related expenses ("Transaction Costs"), ("Maximum Buy-Back Size") which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone financial statements and the audited consolidated financial statements respectively of the Company for the financial year ended on March 31, 2020 ("Buy-Back").

2. NECESSITY FOR THE BUY-BACK

2.1. The Board of Directors of the Company is desirous of providing an opportunity to the Eligible Shareholders, which are over and above its ordinary capital requirements and in excess of its current investment plan, in an expedient, efficient and cost-effective manner. The Buy-Back would increase the shareholders' value and would also help the Company in fulfilling the following objectives:

- i. optimize returns to shareholders;
- ii. The Buy-Back is generally expected to increase return on equity through distribution of surplus fund and improve earnings per share by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- iii. The Buy-Back gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy-Back offer, without additional investment.

3. MAXIMUM AND MINIMUM BUY-BACK SIZE AND BUY-BACK SHARES

3.1. The Maximum Buy-Back Size is a maximum amount to be utilized under the Buy-Back will not exceed ₹ 4,40,00,000 (Indian Rupees Four Crores Forty Lakhs Only) including Transaction Costs, which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone financial statements and the audited consolidated financial statements respectively of the Company for the financial year ended on March 31, 2020.

3.2. At the Maximum Buy-Back Size and the Maximum Buy-Back Price, the indicative maximum number of Equity Shares to be bought back under the Buy-Back would be 11,30,00,000 (Eleven Lakhs) Equity Shares ("Maximum Buy-Back Shares") which represents 0.97% of the total number of Equity Shares of the Company. However, if the Equity Shares are bought back at a price below the Maximum Buy-Back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-Back Shares (assuming full deployment of the Maximum Buy-Back Size). The actual number of Equity Shares to be bought back in the Buy-Back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-Back, subject to the Maximum Buy-Back Size. Further, the number of Equity Shares to be bought back in the Buy-Back will not, in any case, exceed 25% of the total number of Equity Shares of the Company.

3.3. In accordance with Regulation 15 of the Buy-Back Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buy-Back Size for the Buy-Back, i.e. ₹ 2,20,00,000/- (Rupees Two Crores and Twenty Lakhs Only) ("Minimum Buy-Back Size") and based on the Minimum Buy-Back Size and the Maximum Buy-Back Price, indicative minimum number of Equity Shares to be bought back under the Buy-Back would be 5,50,000 (Five Lakhs Fifty Thousand) Equity Shares ("Minimum Buy-Back Shares"), which represents 0.49% of the total number of Equity Shares of the Company.

4. MAXIMUM BUY-BACK PRICE AND BASIS OF ARRIVING AT THE BUY-BACK PRICE

4.1. The Maximum Buy-Back Price is ₹ 40/- (Indian Rupees Forty Only) per Equity Share. The Maximum Buy-Back Price has been arrived at after considering various factors, including but not limited to, the volume weighted average market price of the Equity Shares of the Company on Stock Exchanges during 3 (three) months and 2 (two) weeks preceding the date of initiation of July 18, 2020 to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back ("Prior Intimation"), closing market price on the date of Prior Intimation and the potential impact on the net worth and earning per share of the Company.

4.2. The Maximum Buy-Back Price is ₹ 40/- per Equity Share represents: (i) a premium of 36.78% and 34.11% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the period of 3 months and 2 weeks preceding the date of initiation of the Buy-Back, i.e. July 18, 2020; (ii) a premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for the 2 weeks preceding the date of initiation of the Buy-Back to the Board Meeting to consider the proposal of the Buy-Back, i.e. July 18, 2020; and (iii) a premium of 39.62% and 39.86% over the closing market price of the Equity Shares on the trading day prior to the date of the Board Meeting i.e. July 24, 2020, on BSE and NSE, respectively. The closing market price of the Equity Shares on the date of Board Meeting i.e. July 27, 2020, was ₹ 30.45 and ₹ 30.45 on BSE and NSE, respectively.

5. DETAILS OF SHAREHOLDING OF PROMOTER AND PERSONS IN CONTROL AND OTHER DETAILS

5.1. Details of aggregate shareholding of the promoter, members of the Promoter Group and the directors of the Corporate Promoter, where the Promoter is a Company and persons who are in control of the Company, in the Company, as on the date of Board Meeting approving the Buy-Back is as below:

Sr. No.	Category	No. of Equity Shares	% of Equity Share Capital
Promoter and Promoter Group			
1.	Surendra Tibrewala	6855830	61.68
2.	Kanaklata Tibrewala	3281700	2.95
3.	Sanjay Tibrewala	3213990	2.89
4.	Surendra Tibrewala HUF	345500	0.31
5.	Ritu Aditya Gupta	11000	0.01
6.	Nidhi Tibrewala	1000	0.00
7.	Mihesh Vinod Jhunjhunwala	1000	0.00
8.	Aarati Mihesh Jhunjhunwala	50	0.0
9.	Kamal Chemicals Pvt. Ltd.	2954500	2.65
10.	Proton Biochem Pvt Ltd	1028500	0.92
	Total	79493070	71.42

The directors of the corporate promoters (i) Kamal Chemicals Pvt. Ltd are: Mr. Surendra Tibrewala and Mrs. Kanaklata Tibrewala and (ii) Proton Biochem Pvt Ltd are: Mr. Sanjay Tibrewala, Mrs. Ritu Aditya Gupta.

5.2. The Equity Shares or other specified securities of the Company have been purchased or sold by the promoter, promoter group and the directors of the corporate promoters, and persons who are in control of the Company during a period of twelve (12) months preceding the date of the Public Announcement i.e. July 28, 2020 and six (6) months preceding the date of the Board Meeting i.e. July 27, 2020.

6. NON-PARTICIPATION OF PROMOTER AND PERSONS IN CONTROL OF THE COMPANY IN THE BUY-BACK

6.1. In accordance with Regulation 16(ii) of the Buy-Back Regulations, the Buy-back of Equity Shares shall not be made by the Company from the Promoter and Persons in Control.

6.2. In accordance with the Regulation 24(i)(a) of the Buy-Back Regulations, the Promoter and Persons in Control and/or their associates (as defined in the Buy-Back Regulations) shall not deal in the Equity Shares or other specified securities of the Company in the Stock Exchanges or off-market, including inter-se trade in the Equity Shares among the Promoter and Persons in Control, during the period from the date of Board Meeting till the closing of the Buy-Back offer.

7. NO DEFAULT

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

8. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUY-BACK REGULATIONS AND THE COMPANIES ACT

8.1. All the Equity Shares for Buy-Back are fully paid-up;

8.2. The Company shall not issue and allow any equity shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, with the date of closure of this Buy-Back;

8.3. As per provisions of Regulation 16(iii) of the Buy-Back Regulations, the Company shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buy-Back except by way of a bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

8.4. The Company shall not Buy-Back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-Back;

8.5. Funds borrowed from bank/financial institutions will not be used for the Buy-Back;

8.6. The aggregate amount of the Buy-Back i.e. ₹ 4,40,00,000 (Rupees Four Crores and Forty Lakhs) only does not exceed 10% of the total paid-up Equity Share capital and free reserves of the Company on the basis of standalone and consolidated audited financials as on March 31, 2020;

8.7. The maximum number of Equity Shares proposed to be purchased under the Buy-Back does not exceed 25% of the total number of outstanding Equity Shares of the Company;

8.8. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the total paid-up Equity Share capital and free reserves after the Buy-Back based on both, audited standalone and consolidated financials of the Company;

8.9. The Company shall not Buy-Back the locked-in Equity Shares or non-transferable Equity Shares, if any, till the pendency of the lock-in or till the Equity Shares become transferable;

8.10. There is no pending of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act;

8.11. The Company shall pay the consideration only by way of cash;

8.12. The Company shall not withdraw the Buy-Back offer if the Public Announcement is made and published in the newspaper;

8.13. As per provisions of Regulation 24(i)(ii) of the Buy-Back Regulations read with SEBI circular no. SEBI/HO/CFD/CRCZ/CIR/P/2020/69 dated April 23, 2020, the Company shall not raise further capital for a period of six months from the expiry of the Buy-Back period i.e. the date on which the last payment of consideration to shareholders who have accepted the Buy-Back offer is made in discharge of its subsisting obligations;

8.14. The Company shall not make any further offer of Buy-Back within a period of one year reckoned from the expiry of the Buy-Back Period i.e. the date on which the last payment of consideration to shareholders who have accepted the Buy-Back is made in accordance with the Act and the Buy-Back Regulations;

8.15. The Company shall comply with the statutory and regulatory time lines in respect of the Buy-Back, on the terms and conditions as may be decided by the Board and all other matters as may be decided by the Board of Directors of the Company;

8.16. The Company shall not buy-Back the Equity Shares unless Equity Shares are held in dematerialized form;

8.17. The Buy-Back shall not result in the delisting of the Equity Shares from the Stock Exchanges;

8.18. The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buy-Back Regulations;

8.19. The Buy-Back will be implemented by the Company by way of Open Market purchases through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, as provided under the Buy-Back Regulations;

8.20. As per Regulation 16(i) of the Buy-Back Regulations, the Buy-Back of Equity Shares shall not be made from Promoters, members of the Promoter Group or persons in control of the Company. Further, as per Regulation 24(i)(b) of the Buy-Back Regulations, neither the Promoters and members of the Promoter Group nor the Board of Directors of the Company shall deal in the Equity Shares or other specified securities of the Company either through the stock exchange or off-market transactions (including inter-se transfer of Equity Shares among the Promoters and members of the Promoter Group and person acting in concert) from the date of Board Meeting approving the Buy-Back, till the completion of the Buy-Back; and

9. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

9.1. The Board of Directors of the Company, at its Board Meeting i.e. July 27, 2020, confirmed that they have made full enquiry into the affairs and prospects of the Company and that they have taken the following decisions:

a. That immediately following the date of the Board Meeting of which the Buy-Back is approved, there will be no grounds on which the Company could be found liable to pay its debts;

b. That as regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and

c. That in forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or under the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY AUDITORS

10.1. The text of report dated July 28, 2020 received from ASL & Co., Chartered Accountants (Firm Registration Number - 101921W), the Statutory Auditors of the Company and the annexed statement of computation of permissible capital payments for the Buy-Back, addressed to the Board of the Company is reproduced below:

Quote:
Independent Auditor's Report on buy-back of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended

To,
The Board of Directors
FINOX CHEMICAL LIMITED
42/43, Manorama Chambers, SV Road, Bandra (West), Mumbai 400050, Maharashtra, India

1. This Report is issued in accordance with the terms of our engagement letter dated July 27, 2020 with Finnox Chemical Limited (hereinafter the "Company").

2. In connection with the proposal of Finnox Chemical Limited ("the Company") to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("the Regulations"), and in terms of the resolution passed by the directors of the Company in their meeting held on July 27, 2020, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the permissible capital payment (the "Statement"), which we have initiated for identification purposes only.

3. The preparation of the Statement 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.

4. The Board of Directors of the Company are responsible to make a full inquiry into the affairs of the Company and to form an opinion that the Company will be able to pay its debts from the date of the board meeting and will not be rendered insolvent within a period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":

a. Whether the amount of capital payment for the buy-back is within the permissible limit determined considering audited standalone and consolidated financial statements and computed in accordance with the provisions of Section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations;

b. Whether the Board of Directors has formed the opinion, as specified in Clause (1) of Schedule I to the 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 meeting;

c. Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable as per circumstances as at the date of declaration.

6. The financial statements referred to in paragraphs 5 above pertaining to the year ended March 31, 2020, have been audited by us, on which we issued an unmodified audit opinion vide our report dated July 14, 2020 respectively. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. 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.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements, including the assessment of the risks associated with the Reporting Criteria in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:

i) We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for the year ended March 31, 2020;

ii) Examined evidence for buy-back from the Articles of Association of the Company;

iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations;

iv) Examined that all shares in Buy-Back are fully paid-up;

v) Examined resolutions passed in the meetings of the Board of Directors;

vi) Examined Director's declarations for the purpose of buy-back and solvency of the Company;

vii) Obtained necessary representations from the management of the Company;

9. Based on our examination as above, and the information and explanations given to us, in our opinion:

(i) The Statement of permissible capital payment towards buy-back of equity shares, as stated in Annexure A, is in our view properly determined in accordance with Section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations; and

(ii) The Board of Directors, in their meeting held on July 27, 2020, have formed the opinion, as specified in clause (1) of Schedule I of the 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 July 27, 2020 and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use:
11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it in the public announcement to be made to the Shareholders of the Company, (B) to be filed with the Registrar of Companies, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited as required by the SEBI Buy-Back Regulations, the Central Depository Services (India) Limited, National Securities Depository Limited and (c) for providing to the manager to the Buy-Back, each for the purpose of authentication of equity shares and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or warranty of any kind or any other purpose to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For ASL & Co
Chartered Accountants
ICAI Firm Registration Number: FRN 101921W
Place of Signature: Mumbai
Date: July 28, 2020

Sd/-
Manish Pantari
Partner
Membership Number: 137974
UDIN: 20137974AAAAS6669

Annexure A

Statement of permissible capital payment (including securities premium) as at March 31, 2020

The amount of permissible capital (including premium) towards the proposed buy-back of equity shares as computed in the table below is determined in accordance with Section 68(2)(c) read with proviso to Section 68(2)(b) of the Companies Act, 2013 ("the Act") and Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI Buy-Back Regulations"). The amount of share capital and free reserves (including securities premium) has been extracted from the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2020.

Particulars	March 31, 2020 (Rs. in Lakhs)	
	STANDALONE	CONSOLIDATED
Paid-up Equity Share Capital as at March 31, 2020*		
11,30,00,000 equity shares of Re: 2/- each fully paid-up	2226.00	2226.00
Total (A)		
Free Reserves as at March 31, 2020*		
Securities premium account	927.56	988.45
Retained Earnings **	11567.92	13685.26
Total (B)	12495.48	14673.71
Total (A+B)	14721.48	16899.71
Maximum amount permissible for buy-back under Section 68 of the Companies Act, 2013, read with proviso to Regulation 4(v) of SEBI Buy-Back Regulations (15% of the total paid up capital and free reserves)	2208.22	2534.96
Maximum amount permissible for buy-back with the approval of Board of Directors of the Company under Section 68 of the Companies Act, 2013 (10% of the total paid up equity share capital and free reserves)	1472.1	1689.97
Amount approved by Board at its meeting held on July 27, 2020, approving the Buy-Back, based on the audited financials for the year ended March 31, 2020		440.00

* Calculation in respect to Buy-Back done on basis of audited standalone and consolidated financial statements of the Company for the year ended March 31, 2020.

** Surplus is adjusted for the unrealized gain, impact of recognition of financial assets/liabilities at amortized cost (except the impact of recognition of Investment at fair value), and deferred tax impact on such adjustments.

Unquote

11. PROPOSED TIMETABLE FOR THE BUY-BACK

Activity	Date
Date of Board Approval	Monday, July 27, 2020
Date of publication of Public Announcement	Wednesday, July 29, 2020
Date of opening of the Buy-Back	Wednesday, August 05, 2020
Extinguishment of Equity Shares	The Equity Shares bought back in dematerialized form will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the by-laws framed there under and within the timeline prescribed under the Buy-Back Regulations.
Last date for the completion of the Buy-Back	Earlier of: a) Thursday, February 04, 2021 i.e., within 6 months from the date of the opening of Buy-Back Offer; or b) When the Company completes the Buy-Back by deploying the amount equivalent to the Maximum Buy-Back Size; or As such earlier date as may be determined by the Board or the persons authorised by the Board, subject to the Company having applied an amount equivalent to the Minimum Buy-Back Size (even if the Maximum Buy-Back Size has not been reached).

12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

12.1. The Buy-Back is open to all shareholders/beneficial owners holding the Equity Shares in dematerialized form ("Demat Shares"). Shareholders holding Equity Shares in physical form can participate in the Buy-Back after such Equity Shares are dematerialized. However, in accordance with Regulation 16(i) of the Buy-Back Regulations, the Buy-Back shall not be made from the Promoter and Persons in Control of the Company.

12.2. Further, as required under the Act and the Buy-Back Regulations, the Company will not buy-back any Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.

12.3. The Buy-Back will be implemented by the Company in accordance with Regulation 4(v)(b)(i) read with provisions of Chapter IV "Buy-back from the Open Market" of the Buy-Back Regulations from the open market through the Stock Exchanges having nationwide terminal, using the order matching mechanism except "all or none" order matching system.

12.4. For implementation of the Buy-Back, the Company has appointed (i) Hem Securities Limited and (ii) Hem Finlease Private Limited ("Company's Brokers") as the registered brokers to the Company through whom the purchases and settlement on account of the Buy-Back would be made by the Company. The contact details of the Company's Broker are as follows:

- Hem Securities Ltd.**
 (i) Hem Securities Limited
 CIN: U6720RI1956PL010390
 203, Jupiter Tower, A.I. Road, Jupiter 302 001, Rajastan, India Tel. No. : +91 -141 -4051000 Fax No. : +91 -141 -5101757
 Website: www.hemsecurities.com; Email: hem@hemsecurities.com
 SEBI Regn. No. INM000010981
- (ii) Name: Hem Finlease Private Limited
 CIN: U6720RI1956PL011799
 203, Jupiter Tower, A.I. Road, Jupiter 302 001, Rajastan, India Tel. No. : +91 -141 -4051000 Fax No. : +91 -141 -5101757
 Website: www.hemsecurities.com; Email: hem@hemsecurities.com
 SEBI Regn. No. IN200016734

12.5. The Company, shall, commencing from August 05, 2020 (i.e. the date of commencement of the Buy-back offer period), place "buy" orders on the Stock Exchanges (BSE and/or NSE) on the normal trading segment to buy-back the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buy-Back Price of ₹ 40/- (Indian Rupees Forty Only) per Equity Share, as may be deemed fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company places a "buy" order for buy-back of Equity Shares, the identity of the Company as a purchaser shall be available to the market participants of the Stock Exchanges.

12.6. Procedure for Buy-back of Equity Shares held in dematerialized form ("Demat Shares")

a. Shareholders/beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buy-Back, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating their broker details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for buy-back of the Equity Shares. The Company shall place a "buy" order for buy-back of Demat Shares by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the shareholders/beneficial owners and that price would be the Buy-Back price for that shareholder/beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges. The orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis.

b. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buy-Back and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.

FINOTEX CHEMICAL LIMITED

(CIN: L24100MH2004PL144295)
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 Contact Person: Mr. Hemant Kisan Auti (Company Secretary & Compliance Officer)

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF FINOTEX CHEMICAL LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.
 This Public Announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 16(v)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buy-Back Regulations") and contains the disclosures as specified in Schedule IV read with Schedule I of the Buy-Back Regulations.

OFFER FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM.

1. DETAILS OF THE BUY-BACK OFFER AND OFFER PRICE

- The Board of Directors of the Company (hereinafter referred to as the "Board", which expression includes any committee duly constituted by the Board to exercise its powers) and the promoter(s) referred to in Regulation 2(a) of the Buy-Back Regulations ("Board Meeting") has, pursuant to the provisions of Articles of Association of the Company and Sections 68, 69 and of all other applicable provisions of the Companies Act, 2013 ("Act") and applicable rules made there under and in compliance with the Buy-Back Regulations and subject to other approvals/permissions and sanctions as may be necessary, approved the buy-back of fully paid up equity shares by the Company having face value of ₹ 2/- (Indian Rupee Two Only) each ("Equity Shares") from open market through stock exchange mechanism as prescribed under the Buy-Back Regulations from the equity shareholders/beneficial owners of the Equity Shares of the Company (hereinafter referred to as the "Promoter and Persons in Control") at a price not exceeding ₹ 40/- (Indian Rupees Forty Only) per Equity Share ("Maximum Buy-Back Price") payable in cash for an aggregate amount not exceeding ₹ 4,40,00,000/- (Indian Rupees Four Crores and Forty Lakhs Only) excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filling fees, turnover charges, applicable taxes such as securities transaction tax, goods and services tax, income tax, stamp duty and other incidental and related expenses ("Transaction Costs"), ("Maximum Buy-Back Size") which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone financial statements and the audited consolidated financial statements of the Company for the financial year ended on March 31, 2020 ("Buy-Back").
- As the Maximum Buy-Back Size is not more than 10% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company, the approval of shareholders of the Company is not required in terms of Section 68(2)(b) of the Act and Regulation 5(i)(b) of the Buy-Back Regulations.
- The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") during the Buy-Back period and upon completion thereof.
- The Buy-Back will be implemented by the Company from its free reserves (including securities premium account) and/or such other sources or permitted in accordance with Regulation 4(a) and Regulation 4(v)(b) of the Buy-Back Regulations from the open market through the stock exchange mechanism using the electronic trading facility provided by SEBI Limited ("BSE") and/or National Stock Exchange of India Limited ("NSE"), stock exchanges where existing Equity Shares of the Company are presently listed ("BSE" and "NSE" collectively referred to as "Stock Exchanges") and by using the order matching mechanism except "all or none" order matching system as provided under the Buy-Back Regulations.
- The Company will not purchase Equity Shares which are locked-in or non-transferable, in the Buy-Back, until the pendency of the lock-in or until the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company on standalone and consolidated basis.
- A copy of this Public Announcement will be made available on the website of the Company (www.finotex.com) and is expected to be made available on the website of SEBI (www.sebi.gov.in) as well as on the website of Stock Exchanges (www.bseindia.com) and www.nseindia.com.

2. NECESSITY FOR THE BUY-BACK

- The Buy-Back is being undertaken by the Company to return surplus funds to the Eligible Shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, efficient and cost-effective manner. The Buy-Back would increase the shareholders' value and would also help the Company in fulfilling the following objectives:
 - To optimize returns to shareholders;
 - The Buy-Back is generally expected to improve return on equity through distribution of surplus fund and improve earnings per share by reduction in the equity base, thereby leading to long term increase in shareholder's value;
 - The Buy-Back gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy-Back offer, without additional investment.

3. MAXIMUM AND MINIMUM BUY-BACK SIZE AND BUY-BACK SHARES

- The Maximum Buy-Back Size i.e. maximum amount to be utilized under the Buy-Back will not exceed ₹ 4,40,00,000 (Indian Rupees Four Crores Forty Lakhs Only) (excluding Transaction Costs) which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone financial statements and the audited consolidated financial statements respectively of the Company for the financial year ended on March 31, 2020.
- As the Maximum Buy-Back Size and the Maximum Buy-Back Price, the indicative maximum number of Equity Shares to be bought back under the Buy-Back would be 11,00,000 (Eleven Lakhs) Equity Shares ("Maximum Buy-Back Shares") which represents 0.99% of the total number of Equity Shares of the Company. However, if the Equity Shares are bought back at a price below the Maximum Buy-Back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-Back Shares (excluding the Transaction Costs). The actual number of Equity Shares to be bought back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-Back, subject to the Maximum Buy-Back Size. Further, the number of Equity Shares to be bought back in the Buy-Back will not, in any case, exceed 25% of the total number of Equity Shares of the Company.
- In accordance with Regulation 15 of the Buy-Back Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buy-Back Size for the purchase of Equity Shares which are locked-in or non-transferable, in the Buy-Back, until the pendency of the lock-in or until the Equity Shares to be bought back in the Buy-Back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-Back, subject to the Maximum Buy-Back Size. Further, the number of Equity Shares to be bought back in the Buy-Back will not, in any case, exceed 25% of the total number of Equity Shares of the Company.

4. MAXIMUM BUY-BACK PRICE AND BASIS OF ARRIVING AT THE BUY-BACK PRICE

- The Maximum Buy-Back Price of ₹ 40/- per Equity Share. The Maximum Buy-Back Price has been arrived at after considering various factors, including but not limited to, the volume weighted average market price of the Equity Shares of the Company on Stock Exchanges during 3 (three) months and 2 (two) weeks preceding the date of intimation (July 18, 2020) to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back ("Prior Intimation"), closing market price on the date of Prior Intimation and the potential impact on the net worth and earnings per share of the Company.
- The Maximum Buy-Back Price of ₹ 40/- per Equity Share. (i) premium of 36.78% and 36.41% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back, i.e. July 18, 2020, (ii) premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back, i.e. July 18, 2020, and (iii) a premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation (July 18, 2020) to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back ("Prior Intimation"), closing market price on the date of Prior Intimation and the potential impact on the net worth and earnings per share of the Company.
- The Maximum Buy-Back Price of ₹ 40/- per Equity Share. (i) premium of 36.78% and 36.41% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back, i.e. July 18, 2020, (ii) premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back, i.e. July 18, 2020, and (iii) a premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation (July 18, 2020) to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-Back ("Prior Intimation"), closing market price on the date of Prior Intimation and the potential impact on the net worth and earnings per share of the Company.

5. DETAILS OF SHAREHOLDING OF PROMOTER AND PERSONS IN CONTROL AND OTHER DETAILS

- Details of aggregate shareholding of the promoter, members of the Promoter Group and the directors of the Corporate Promoter, where the Promoter is a Company and of persons who are in control of the Company, in the Company, as on the date of Board Meeting approving the Buy-Back is as below:

Sl. No.	Category	No. of Equity Shares	% of Equity Share Capital
Promoter and Promoter Group			
1.	Surendra Tibrewala	6865830	61.68
2.	Kanaklata Tibrewala	3281700	2.95
3.	Sanjay Tibrewala	3219990	2.89
4.	Surendra Tibrewala HUF	345500	0.31
5.	Ritu Aditya Gupta	11000	0.01
6.	Nidhi Tibrewala	1000	0.00
7.	Millesh Vinod Jhunjhunwala	1000	0.00
8.	Aarati Millesh Jhunjhunwala	50	0.0
9.	Kamal Chemicals Pvt. Ltd.	2954500	2.65
10.	Proton Biotech Pvt Ltd	1028500	0.92
Total		79493070	71.42

The directors of the corporate promoters (i) Kamal Chemicals Pvt. Ltd. are Mr. Surendra Tibrewala and Mrs. Kanaklata Tibrewala and (ii) Proton Biotech Pvt Ltd are Mr. Sanjay Tibrewala, Mrs. Ritu Aditya Gupta.

- No Equity Shares or other specified securities of the Company have been purchased or sold by the promoter, promoter group and the directors of the corporate promoters, and persons who are in control of the Company during a period of twelve (12) months preceding the date of the Public Announcement i.e. July 28, 2020 and six (6) months preceding the date of the Board Meeting i.e. July 27, 2020.

6. NON-PARTICIPATION OF PROMOTER AND PERSONS IN CONTROL OF THE COMPANY IN THE BUY-BACK

- In accordance with Regulation 16(i) of the Buy-Back Regulations, the Buy-Back of Equity Shares shall not be made by the Company from the Promoter and Persons in Control.
- In accordance with Regulation 24(i)(a) of the Buy-Back Regulations, the Promoter and Persons in Control and/or their associates (as defined in the Buy-Back Regulations) shall not deal in the Equity Shares or other specified securities of the Company in the Stock Exchanges or off-market, including inter-transfer of Equity Shares among the Promoter and Persons in Control, during the period from the date of Board Meeting till the closing of the Buy-Back offer period.

7. NO DEFAULT

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

8. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUY-BACK REGULATIONS AND THE COMPANIES ACT

- As per the provisions of Regulation 24(i)(a) of the Buy-Back Regulations, the Company shall not issue or 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 Buy-Back.
- As per provisions of Section 68(2)(b) of the Act, the Company shall not make further issue of the same kind or shares or other specified securities within a period of six months after the completion of the Buy-Back except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- The Company shall not Buy-Back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-Back.
- Funds borrowed from financial institutions, if any, will not be used for the Buy-Back.
- The aggregate amount of the Buy-Back i.e. ₹ 4,40,00,000 (Rupees Four Crores and Forty Lakhs only) does not exceed 10% of the total paid-up Equity Share capital and free reserves of the Company on the basis of standalone and consolidated audited financials as on March 31, 2020.
- The maximum number of Equity Shares proposed to be purchased under the Buy-Back does not exceed 25% of the total number of outstanding Equity Shares of the Company.
- The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the total paid-up Equity Share capital and free reserves after the Buy-Back based on both, audited standalone and consolidated financials of the Company.
- The Company shall not Buy-Back the locked-in Equity Shares or non-transferable Equity Shares, if any, till the pendency of the lock-in or till the Equity Shares become transferable.
- There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act.
- The Company shall pay the consideration only by way of cash.
- The Company shall not withdraw the Buy-Back after the Public Announcement is made and published in the newspaper.
- As per provisions of Regulation 24(i)(a) of the Buy-Back Regulations, the Company shall not issue or 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 Buy-Back.
- The Company shall not raise further capital for a period of six months from the expiry of the Buy-Back period i.e. the date on which the last payment of consideration to shareholders who have accepted the Buy-Back offer is made except in discharge of its subsisting obligations.
- The Company shall not make any further offer of Buy-Back within a period of one year reckoned from the expiry of the Buy-Back period i.e. the date on which the last payment of consideration to shareholders who have accepted the Buy-Back offer is made except in discharge of its subsisting obligations.
- The Company shall comply with the statutory and regulatory time lines in respect of the Buy-Back, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act, the Buy-Back Regulations and any other applicable laws.
- The Company shall not buy back the Equity Shares unless such Equity Shares are held in dematerialized form.
- The Buy-Back shall not result in the delisting of the Equity Shares from the Stock Exchanges.
- The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buy-Back Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it to its website on a daily basis.
- The Buy-Back will be implemented by the Company by way of Open Market purchases through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, as provided under the Buy-Back Regulations.
- As per Regulation 16(i) of the Buy-Back Regulations, the Buy-Back of Equity Shares shall not be made from Promoters, members of the Promoter Group or persons in control of the Company. Further, as per Regulation 24(i)(a) of the Buy-Back Regulations, neither the Promoters and members of the Promoter Group nor their associates shall deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions during the period from the date of Board Meeting till the closing of the Buy-Back offer period.

9. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

- The Board of Directors of the Company, at its Board Meeting i.e. July 27, 2020, confirmed that they have made full enquiry into the affairs and prospects of the Company and they have formed an opinion, as specified in Clause (1) of Schedule I of the Buy-Back Regulations, on reasonable grounds that:
 - It is immediately following the date of the Board Meeting at which the Buy-Back is approved, there will be no grounds on which the Company could be found liable to pay its debts;
 - As regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the financial condition of the Company, which will be in the Board's possession, to be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and
 - That in forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or under the local laws and Bankruptcy Code, 2016 including prospective and contingent liabilities.

10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY AUDITORS

- The text of the report dated July 28, 2020 received from ASL & Co, Chartered Accountants (Firm Registration Number - 101921W), the Statutory Auditors of the Company and the annexed statement of computation of permissible capital payments for the Buy-Back, addressed to the Board of the Company is reproduced below:
 Date: Independent Auditor's Report on buy back of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended

To,
 The Board of Directors
FINOTEX CHEMICAL LIMITED
 42/43, Manorama Chambers, SV Road, Bandra (West), Mumbai 400050, Maharashtra, India

1. This Report is issued in accordance with the terms of our engagement letter dated July 27, 2020 with Finotex Chemical Limited (hereinafter the "Company").

2. In connection with the proposal of Finotex Chemical Limited ("Company") to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("The Act") and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("the Regulations"), and in terms of the resolution passed by the Board of Directors of the Company in its meeting held on July 27, 2020, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the permissible capital payment (the "Statement"), which we have included for identification purposes only.

Board of Directors Responsibility for the Statement

- The preparatory work for the Statement 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.
- The board of directors of the Company are responsible to make a full enquiry into the affairs of the Company and to form an opinion that the Company will be able to pay its debts from the date of the board meeting and will not be rendered insolvent within a period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

Auditor's Responsibility

- Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - Whether the amount of capital payment for the buy back is within the permissible limit determined considering the audited standalone and consolidated financial statements and computed in accordance with the provisions of Section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations;
 - Whether the Board of Directors has formed the opinion, as specified in Clause (1) of Schedule I of the 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 meeting;
 - Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable as per circumstances as at the date of declaration.
- The financial statements referred to in paragraph 5 above pertaining to the year ended March 31, 2020, have been audited by us, on which we issued an unmodified audit opinion under our report dated July 14, 2020 respectively. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- 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.
- 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.
- A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - We have inquired the Board of Directors of the Company in relation to its audited standalone and consolidated financial statements for the year ended March 31, 2020;
 - Examined authorization for buyback from the Articles of Association of the Company;
 - Examined that the Statement of determination of permissible capital payment is within permissible limit computed in accordance with Section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations;
 - Examined that the ratio of debt to capital is, if any, not more than twice the capital and its free reserve after such buy-back;
 - Examined that all shares for buy-back are fully paid-up;
 - Examined resolutions passed by the Board of Directors;
 - Examined Director's declarations for the purpose of buy-back and solvency of the Company;
 - Obtained necessary representations from the management of the Company.
- Based on our examination above, and the information and explanations given to us, in our opinion:
 - The Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, in our view properly determined in accordance with Section 68 of the Act, Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of the SEBI Buy-Back Regulations; and
 - The Board of Directors, in their meeting held on July 27, 2020, have formed the opinion, as specified in clause (1) of Schedule I of the 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 July 27, 2020 and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Respective User: 11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the public announcement to be made to the Shareholders of the Company, (b) to be filed with the Registrar of Companies, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited as required by the SEBI Buy-Back Regulations, the Central Depository Services (India) Limited, National Securities Depository Limited and (c) for providing to the manager to the Buy-Back, each for the purpose of extinguishment of equity shares and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come other than our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For ASL & Co. Chartered Accountants
 Chartered Accountants
 ICAI Firm Registration Number: FRN 101921W
 Place of Signature: Mumbai
 Date: July 28, 2020

Manish Pantani
 Partner
 Membership Number: 137974
 UDIN: 20137974AAAA56649

Statement of permissible capital payment (including securities premium) as at March 31, 2020

The amount of permissible capital (including premium) towards the proposed buy-back of equity shares as computed in the table below is determined in accordance with Section 68(2)(b) and proviso to Section 68(2)(a) of the Companies Act, 2013 ("the Act") and Regulation 4(i), proviso to Regulation 4(v) and the proviso to Regulation 5(i)(b) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI Buy-Back Regulations"). The amount of share capital and free reserves (including securities premium) has been extracted from the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2020.

Particulars	Year ended	
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
Equity Share Capital as at March 31, 2020*		
11,13,00,000 equity shares of Re. 2/- each fully paid-up	2226.00	2226.00
Total (A)		
Free Reserves as at March 31, 2020*		
Securities premium account	927.56	988.45
Retained Earnings: **	11567.92	13685.26
Total (B)	12495.48	14673.71
Total (A+B)	14721.48	16899.71
Maximum amount permissible for buy-back under Section 68 of the Companies Act, 2013, read with proviso to Regulation 4(v) of SEBI Buy-Back Regulations (15% of the total paid up capital and free reserves)	2208.22	2534.96
Maximum amount permissible for buy-back with the approval of Board of Directors of the Company under Section 68 of the Companies Act, 2013 (10% of the total paid up equity share capital and free reserves)	1472.1	1689.97
Amount approved by Board at its meeting held on July 27, 2020, approving the Buy-Back, based on the audited financials for the year ended March 31, 2020		440.00

* Calculation in respect to the Buy-Back is done on basis of audited standalone and consolidated financial statements of the Company for the year ended March 31, 2020.
 ** Surplus is adjusted for the unrealized gain, impact of recognition of financial assets/liabilities at amortized cost (except the impact of recognition of Investment at fair value), and deferred tax impact on such adjustments.

11. PROPOSED TIMETABLE FOR THE BUY-BACK

Activity	Date
Date of Board Approval	Monday, July 27, 2020
Date of publication of Public Announcement	Wednesday, July 29, 2020
Date of opening of the Buy-Back	Wednesday, August 05, 2020
Extinguishment of Equity Shares	The Equity Shares bought back in dematerialized form will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the bye-laws framed there under and within the timeframe prescribed under the Buy-Back Regulations.
Last date for the completion of the Buy-Back	Earlier of: a) Thursday, February 04, 2021 i.e., within 6 months from the date of the opening of Buy-Back offer; or b) When the Company completes the Buy-Back by deploying the amount equivalent to the Maximum Buy-Back Size; or At such earlier date as may be determined by the Board or the persons authorised by the Board, subject to the Company having deployed an amount equivalent to the Minimum Buy-Back Size (even if the Maximum Buy-Back Size has not been reached).

12. PROCESS AND METHODOLOGY FOR THE BUY-BACK

- The Buy-Back is open to all shareholders/beneficial owners holding the Equity Shares in dematerialized form ("Demat Shares"). Shareholders holding Equity Shares in physical form can participate in the Buy-Back after such Equity Shares are dematerialized. However, in accordance with Regulation 16(i) of the Buy-Back Regulations, the Buy-Back shall not be made from the Promoter and Persons in Control of the Company.
- Further, as required under the Act and the Buy-Back Regulations, the Company will not buy-back any Equity Shares which are locked-in or non-transferable, until the pendency of the lock-in or, until the time such Equity Shares become freely transferable, as applicable.
- The Buy-Back will be implemented by the Company in accordance with Regulation 4(v)(b) read with provisions of Chapter IV "Buy-Back from the Open Market" of the Buy-Back Regulations from the open market through the Stock Exchanges having nationwide trading, using the order matching mechanism except "all or none" order matching system.
- For implementation of the Buy-Back, the Company has appointed (i) Hem Securities Limited and (ii) Hem Finance Private Limited ("Company's Brokers") as the registered brokers to the Company through whom the purchases and settlement on account of the Buy-Back would be made by the Company. The contact details of the Company's Brokers are as follows:

Hem Securities Ltd.
 (i) Hem Securities Limited
 CIN: U6720RJ1995PLC010390
 203, Jaijwar Tower, M.I. Road, Jaijwar 300 001, Rajasthan, India Tel. No. : +91 -141 -4051000 Fax No. : +91 -141 -5101757
 Website: www.hemsecurities.com Email: hem@hemsecurities.com
 SEBI Regn. No. INM00010981

(ii) Hem Finance Private Limited
 CIN: U6720RJ1996PTC011799
 203, Jaijwar Tower, M.I. Road, Jaijwar 300 001, Rajasthan, India Tel. No. : +91 -141 -4051000 Fax No. : +91 -141 -5101757
 Website: www.hemfinance.com Email: hemf@hemfinance.com
 SEBI Regn. No. INM200167274

12.5. The Company, shall commencing from August 05, 2020 (i.e. the date of commencement of the Buy-back offer period), place "buy" orders on the Stock Exchanges (BSE and/or NSE) on the normal trading segment to buy-back the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buy-Back Price of ₹ 40/- (Indian Rupees Forty Only) per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for buy-back of Equity Shares, the identity of the Company as a purchaser shall be available to the market participants of the Stock Exchanges.

12.6. Procedure for Buy-Back of Equity Shares held in dematerialized form ("Demat Shares")

a. Shareholders/beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buy-Back, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating to their broker the details of the Equity Shares they intend to sell wherever their Shares in the Buy-Back are held in dematerialized form. The Company shall place a "buy" order for buy-back of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the shareholders/beneficial owners and that price would be the Buy-Back price for that shareholder/beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges. The orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis.

b. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buy-Back and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.

12.7. Procedure for Equity Shares held in physical form ("Physical Shares")

a. As per the provision to Regulation 40(1) of the SEBI Listing Regulations, effective from April 01, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In light of the same, the Company shall not accept the Equity Shares offered under the Buy-Back unless such Equity Shares are in dematerialized form.

b. ACCORDINGLY ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF SELLING THEIR EQUITY SHARES IN THE BUY-BACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUY-BACK BEFORE THE CLOSURE OF BUY-BACK OFFER PERIOD.

12.8. Shareholders are requested to get in touch with the Manager to the Buy-Back of the Company's Brokers or the Registrar to Buy-Back to clarify any doubts in the process.

12.9. Subject to the Company purchasing Equity Shares for an amount equivalent to the Maximum Buy-Back Size, nothing contained herein shall create any obligation on the part of the Company to buy-back any Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buy-Back Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buy-Back, to the extent permitted by law. The Company is under no obligation to utilize the entire amount of Maximum Buy-Back Size or the Maximum Buy-Back Shares. However, if the Company is not able to complete the Buy-Back equivalent to the Maximum Buy-Back Size, except for the reasons mentioned in the Buy-Back Regulations, the amount held in the Escrow Account (up to a maximum of 2

