

Arex Industries Ltd. (CIN: L99999GJ1989PLC012213)

Manufacturers of Textile Labels

Plant & Regd. Office : 612, G.I.D.C. Estate, Chhatral, Tal. Kalol, Dist. Gandhinagar - 382 729, Gujarat, INDIA.
Phone : +91 2764 233437 Fax : +91 2764 233635 Website : www.arex.in Email : mail@arex.in



Ref: AIL/BSE-33/2409/710

September 10, 2024

To,
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers
Dalal Street
Mumbai – 400 001

Scrip Code: 526851

Ref.: Buyback of Equity Shares of Arex Industries Limited (the “Company”)

Sub.: Submission of Letter of Offer pursuant to the provisions of the SEBI (Buyback of Securities) Regulations, 2018 (“Buyback Regulations”)

Dear Sir/Madam

This is in furtherance to our intimation dated 6th September, 2024 on the Public Announcement for Buyback of upto 3,60,000 (Three Lac Sixty Thousand) Equity Shares of face value of Rs. 10/- each at a price of Rs. 195/- (Rupees One Hundred Ninety Five Only) per Equity Share payable in cash for an aggregate amount not exceeding Rs. 7,02,00,000/- (Rupees Seven Crore Two Lac Only) excluding transaction costs through tender offer process as prescribed under the Buyback Regulations.

We enclosed a copy of the Letter of Offer dated 9th September, 2024 (“Letter of Offer”), which is being sent to the shareholders through electronic means. The copy of Letter of Offer and Tender Form is also available on the website of the Company (www.arex.in), the SEBI (www.sebi.gov.in), the manager to the buyback (www.ifinservices.in) and the Registrar to the buyback (www.linkintime.co.in).

Kindly receive the same in order and take the same on record.

Thanking you,

Yours faithfully,

For **AREX INDUSTRIES LTD**

Neel Dinesh Bilgi
Digitally signed by
Neel Dinesh Bilgi
Date: 2024.09.10
17:30:12 +05'30'

Neel Bilgi
(DIN: 00096180)
Managing Director

We weave brands

LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you being a registered shareholder/ beneficial owner of the Equity Shares of Arex Industries Limited (“the Company”) as on the Record Date, being September 07, 2024, in accordance with Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended. If you require any clarifications about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buyback i.e., Interactive Financial Services Limited or the Registrar to the Buyback i.e. Link Intime India Private Ltd. Please refer to the section “Definition of Key Terms” on page 3 for the definition of the capitalised terms used herein.



AREX INDUSTRIES LIMITED
CIN: L99999GJ1989PLC012213



Registered Office: 612, GIDC Industrial Estate, Chhatral Tal. Kalol, Gandhinagar, Gujarat, India, 382729;

Tel. No.: +91 02764-233437; **E-mail:** mail@arex.in;

Website: www.arex.in; **Contact Person:** Kairavi Bilgi, Company Secretary and Compliance Officer

OFFER FOR BUYBACK UP TO 3,60,000 (THREE LAKH SIXTY THOUSAND) FULLY PAID-UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF RS. 10/- (RUPEES TEN ONLY) EACH, REPRESENTING 9.09% OF THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARES OF THE COMPANY, FROM ALL ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, I.E., SATURDAY, SEPTEMBER 07, 2024, ON A PROPORTIONATE BASIS, THROUGH THE ‘TENDER OFFER’, FOR CASH AT A PRICE OF RS. 195/- (RUPEES ONE HUNDRED NINETY-FIVE ONLY) PER FULLY PAID-UP EQUITY SHARE, FOR AN AGGREGATE MAXIMUM AMOUNT NOT EXCEEDING RS. 7,02,00,000/- (RUPEES SEVEN CRORE TWO LAKH ONLY) (THE “BUYBACK”) PAYABLE IN CASH EXCLUDING THE TRANSACTION COST.

- The Buyback is being undertaken in accordance with the Articles of Association of the Company, Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, including any statutory modification(s) or re-enactment thereof and applicable rules thereunder including the Companies (Share Capital and Debentures) Rules, 2014, as amended (the “Companies Act”) and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“SEBI Buyback Regulations”) read with the SEBI Circulars (defined below) and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), to the extent applicable, and including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions, consents, exemptions and sanctions, as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by Securities and Exchange Board of India (“SEBI”), Registrar of Companies, Ahmedabad (“ROC”), BSE Limited (“BSE”), and/ or other relevant authorities, institutions or bodies, (together with SEBI and ROC, the “Appropriate Authorities”) while granting such approvals, permissions, sanctions and exemptions, which may be agreed by the Board.
- The Buyback is subject to receipt of such approvals, permissions and sanctions, as may be required under the applicable laws including from the Securities and Exchange Board of India, and/ or the BSE Limited (BSE).
- The Buyback Offer Size is upto Rs. 7,02,00,000/- (Rupees Seven Crore Two Lakh only) excluding the Transaction Cost, which represents 22.45% of the aggregate of the Company’s paid-up capital and free reserves (including securities premium) as per the last audited financial statements of the Company as on March 31, 2024 (the latest audited financial statements available as on the date of the Board Meeting, recommending the proposal of the Buyback). The Buyback Offer Size is within the statutory limit of 25% of the aggregate of paid-up capital and free reserves (including securities premium) of the Company under the shareholders’ approval route as per the Companies Act, 2013 and SEBI Buyback Regulation.
- In accordance with the Buyback Regulations, this Letter of Offer is being sent through electronic means to the Equity Shareholders/Beneficial Owners holding Equity Shares of the Company as on the Record Date and that if any shareholder requires a physical copy of the Letter of Offer, a request has to be sent to the Company or Registrar to the Buyback and the same shall be sent to such shareholder’s registered postal address.
- For details of the procedure for tender and settlement, please refer to the “Procedure for Tender Offer and Settlement” on page 28. The Form of Acceptance cum- Acknowledgement (the “Tender Form”) is enclosed together with this Letter of Offer. For details of the methodology adopted for the Buyback, please refer to the “Process and Methodology for the Buyback” on page 24. For mode of payment of cash consideration to the Eligible Shareholders, please refer to “Procedure for Tender Offer and Settlement - Method of Settlement” on page 28.
- A copy of the Public Announcement published on September 06, 2024 and this Letter of Offer (including the Tender Form) shall be available on the website of the Company i.e. www.arex.in and is also expected to be made available on the website of Securities and Exchange Board of India i.e., www.sebi.gov.in, Manager to the Buyback i.e. www.ifinservices.in, the Registrar to the Buyback i.e. www.linkintime.co.in and Stock Exchange i.e. www.bseindia.com. Eligible Shareholders are advised to refer to “Details of Statutory Approvals” and “Note on Taxation” on pages 24 and 35, respectively, before tendering their Equity Shares in the Buyback.

MANAGER TO THE BUYBACK	REGISTRAR TO THE BUYBACK
 <p>INTERACTIVE FINANCIAL SERVICES LIMITED CIN: L65910GJ1994PLC023393 SEBI Registration No. INM000012856 Address: Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India Tel. No.: 079 49088019/ +91 9898055647 E-mail: mbd@ifinservices.in Website: www.ifinservices.in Contact Person: Mr. Pradip Sandhir</p>	 <p>Link Intime India Private Limited CIN: U67190MH1999PTC118368 SEBI REG. No.: INR000004058 Address: C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India Tel. No.: +91 8108114949; Fax: 22 4918 6060 Email: arex.buyback2024@linkintime.co.in, Website: www.linkintime.co.in Contact Person: Mr. Shanti Gopalkrishnan</p>

BUYBACK PROGRAMME

BUYBACK OPENS ON: September 12, 2024, Thursday	BUYBACK CLOSES ON: September 19, 2024, Thursday
LAST DATE AND TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK	September 19, 2024 Thursday, 5:00 P.M.

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1. SCHEDULE OF ACTIVITIES FOR THE BUYBACK

S. No.	Activity	Day and Date of Event
1.	Date of Board meeting approving the proposal for the Buyback	Tuesday, August 06, 2024
2.	Date of special resolution by the Equity Shareholders of the Company through extraordinary general meeting, approving the Buy-back	Wednesday, September 04, 2024
3.	Date of Public Announcement	Thursday, September 05, 2024
4.	Date of publication of the Public Announcement for the Buyback in newspapers	Friday, September 06, 2024
5.	Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	Saturday, September 07, 2024
6.	Date of opening of the Buyback Offer	Thursday, September 12, 2024
7.	Date of closing of the Buyback Offer	Thursday, September 19, 2024
8.	Last date of receipt of completed Tender Form and other specified documents including physical certificates (if and as applicable) by the Registrar to the Buyback	Thursday, September 19, 2024
9.	Last date of verification of Tender Forms by the Registrar	Thursday, September 26, 2024
10.	Last date of intimation to BSE regarding acceptance or non-acceptance of tendered Equity Shares	Thursday, September 26, 2024
11.	Last date of settlement of bids by the Clearing Corporation on BSE	Thursday, September 26, 2024
12.	Last date of dispatch of share certificate(s) by the Registrar to the Buyback / payment to Eligible Shareholders/ return of unaccepted shares to Eligible Shareholders by BSE/Seller Broker.	Thursday, September 26, 2024
13.	Last date of extinguishment of Equity Shares bought back	Monday, October 07, 2024

Note: In case the last date is mentioned for certain activities, such activities may be completed on or before such last date.

2. DEFINITION OF KEY TERMS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications shall be to such legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, the SEBI Depositories Act, 1996 and the rules and regulations made thereunder.

Term	Description
Acceptance, Accept, or Accepted	Acceptance of Equity Shares tendered by the Eligible Shareholders in the Buyback
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange i.e BSE in the form of a separate window in accordance with the Specified Procedures
Act / Companies Act	The Companies Act, 2013, as may be amended from time to time, along with all rules and regulations issued thereunder
Additional Equity Shares / Additional Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder up to the extent of Equity Shares held by such Eligible Shareholder on the Record Date
Articles of Association	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on August 06, 2024 approving the proposal of Buyback.
Board / Board of Directors / Directors	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized committee thereof).
BSE	BSE Limited
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, which is computed based on the number of Equity Shares held by such Eligible Shareholder as on the Record Date and the ratio of Buyback applicable in the category, to which such Eligible Shareholder belongs.
Buyback Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. Rs. 195/- (Rupees

/ Buyback Price	One Hundred Ninety-five only) per Equity Share payable in cash.
Buyback Offer Size / Buyback Size	Number of Equity Shares proposed to be bought back i.e., up to 3,60,000 (Three Lakh Sixty Thousand) Equity Shares multiplied by the Buyback Offer Price i.e. Rs. 195/- (Rupees One Hundred Ninety-Five only) per Equity Share aggregating to Rs. 7,02,00,000 (Rupees Seven Crore Two Lakh only). The Buyback Offer Size does not include any expenses incurred or to be incurred for the buyback viz. tax on buyback, brokerage, costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors' fees, printing and dispatch expenses and other incidental and related expenses and charges.
Buyback or Buyback Offer or Offer	Cash Offer by Arex Industries Limited to Buyback up to 3,60,000 (Three Lakhs Sixty Thousand) fully paid up equity shares of face value Rs. 10/- (Rupees Ten Only) each at a price of Rs. 195/- (Rupees One Hundred Ninety-Five only) per Equity Share from all the Eligible Shareholders, through the Tender Offer process on a proportionate basis.
Buyback Period	The period between the date of the declaration of results of the Extraordinary general meeting to authorize the Buyback i.e., Wednesday, September 04, 2024 and the date on which the payment of consideration to the Eligible Shareholders who have accepted the Buyback will be made
Buyback Regulations / SEBI Buyback Regulations	The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended and include the SEBI Circulars.
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
“Company” or “Our Company” or “we” or “us” or “our”	Arex Industries Limited, unless the context states otherwise
Company Demat Account	A demat account held by the Company, wherein Demat Shares bought back in the Buyback would be transferred.
Company's Broker	NNM Securities Private Limited having its office at B-6/7, 2 nd Floor, Shri Siddhi Vinayak Plaza, Off. Link road, Opp. Citi Mall, Andheri (West) Mumbai-400053
Demat Share(s)	Equity Share(s) of the Company in Dematerialised form
Depositories	Together, National Securities Depository Limited and Central Depository Services (India) Limited.
Designated Stock Exchange	BSE Limited
DIN	Director Identification Number
DP	Depository Participant
Eligible Shareholders	Equity Shareholders eligible to participate in the Buyback and would mean all shareholders / beneficial owners of the Equity Shares on the Record Date being September 07, 2024 and do not include such shareholders / beneficial owners of the Equity Shares who are not permitted under the applicable law to tender shares in the Buyback
EPS	Earnings per Share
Equity Share (s)	Fully paid up equity share(s) of the Company having the face value of Rs. 10/- (Rupees Ten only) each
Equity Shareholder (s)	Shareholder / beneficial owner of the Equity Shares
Escrow Account	The Escrow Account to be opened with ICICI Bank Limited in the name and style of “ AREX INDUSTRIES LIMITED BUYBACK ESCROW A/C ”
Escrow Agent	ICICI Bank Limited
Escrow Agreement	The agreement dated August 29, 2024 entered between the Company, Escrow Agent and Manager to the Buyback, pursuant to which certain arrangements for Escrow Account is made in relation to the Buyback.
Exchange Act	United States Securities Exchange Act of 1934
FEMA	The Foreign Exchange Management Act, 1999.
FII(s)	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investors
General Category	Eligible Shareholders other than the Small Shareholders.
HUF	Hindu Undivided Family
IT Act / Income Tax Act / ITA	Income Tax Act, 1961, as amended.
Letter of Offer	This letter of offer dated September 09, 2024, filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the SEBI Buyback Regulations.

LTCG	Long Term Capital Gains
Merchant Banker to the Buyback / Merchant Banker / Manager to the Buyback	Interactive Financial Services Limited
NA	Not Applicable
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Nationals, Qualified Institutional Buyers, including Foreign Portfolio Investor and Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies)
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Physical Shares	Equity Share(s) of the Company in physical form.
Promoters and Promoters Group	The promoters and promoters Group of the Company, as defined under Regulation 2(i) (k) of the SEBI Buyback Regulations, namely: Promoter: Dinesh Apparao Bilgi, Chirag Dineshbhai Bilgi, Neel Dinesh Bilgi, Pragnesh Kantilal Shah, Laxman Chetandas Tilani Promoter Group: , Bhavnaben Dineshbhai Bilgi, Aashna Dinesh Bilgi, Dinesh Apparao Bilgi HUF, Manoj Uttam Shah, Kala Manoj Shah, Harkhchand Ravji Shah, Permal Vasant Shah, Hiren Vasant Shah, Meeta Laxman Tilani, Sushila Harkhchand Shah, Jayesh laxman Tilani, Akansha Laxman Tilani, Chirag Dinesh Bilgi HUF, Neel Dinesh Bilgi HUF, Nirmala Lalchand Tilani.
Public announcement	Public announcement dated September 05, 2024 in connection with the Buyback which was published on September 06, 2024 in Financial Express (English National daily Newspaper), Financial Express (Gujarati Newspaper), and Jansatta (Hindi National daily Newspaper).
Ratio of Buyback	The ratio of the Buyback: (i) in case of Small Shareholders, 127 Equity Shares for every 753 Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, 64 Equity Shares for every 761 Equity Shares held by such Eligible Shareholder on the Record Date.
RBI	Reserve Bank of India.
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom this Letter of Offer (including the Tender Form) will be sent, and who are eligible to participate in the Buyback in accordance with the SEBI Buyback Regulations. The Record Date for the Buyback is Saturday September 07, 2024
“Registrar to the Buyback” or “Registrar”	Link Intime India Private Limited
Reserved Category	Shareholders eligible to tender Equity Shares in the Buyback.
SEBI	Securities and Exchange Board of India.
SEBI Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Shareholder’s Broker	The stock broker- (who is a member of the BSE) of an Eligible Shareholders through whom the order for selling the Equity Shares will be placed in the Acquisition Window.
Small Shareholder	As defined under Regulation 2(i) (n) of the SEBI Buyback Regulations and in relation to the Buyback means an Eligible Shareholders who holds Equity Shares of market value of not more than Rs. 2,00,000 (Rupees Two Lakh Only), on the basis of closing price on BSE, in respect of the Equity Shares on the Record Date i.e. September 07, 2024.
Specified Procedures/SEBI Circulars	The mechanism for acquisition of shares through stock exchange specified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13 2021, and such other circulars as may be applicable, including any further amendments thereof.
STCG	Short-Term Capital Gains
Stock Exchange	BSE Limited (“BSE”) being the stock exchange where the Equity Shares of the Company are listed and traded
Tender Form	Form of Acceptance–cum–Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buyback
Tender Offer	Method of buyback as defined in Regulation 2(i)(q) of the SEBI Buyback Regulations
Tendering Period	Period of 5 Working Days from the Buyback Opening Date i.e. September 12, 2024 till the Buyback Closing Date i.e. September 19, 2024 (both days inclusive).

Transaction Costs	Any expenses incurred or to be incurred for the Buyback viz. tax on buyback, brokerage, costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors' fees, printing and dispatch expenses and other incidental and related expenses and charges
TRS	Transaction Registration Slip
U.S.	The United States of America
Working Day	Working day as defined in the SEBI Buyback Regulations

Certain conventions, currency of presentation, use of financial information and stock market data

Page Numbers and Paragraph Numbers

Unless otherwise stated, all references to page numbers and paragraph numbers in this Letter of Offer are to page numbers of this Letter of Offer.

Currency and Units of Presentation

All references to "Rupee(s)", "Rs." or "INR" or "₹" are to Rupees, the official currency of the Republic of India.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Letter of Offer is derived from (i) the audited financial statements for the fiscal years 2024, 2023 and 2022.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year (referred to herein as "**Fiscal**", "**Fiscal Year**" or "**FY**").

All data related to financials are given in INR lakh, unless otherwise stated.

Stock Market Data

Unless stated or the context requires otherwise, stock market data included in this Letter of Offer is derived from the websites of the Stock Exchange.

Time

Unless stated otherwise, all references to time in this Letter of Offer are to Indian Standard Time.

3. DISCLAIMER CLAUSE

As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this 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 its Buyback commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buyback, Interactive Financial Services Limited has, through a certificate issued to SEBI dated September 09, 2024, certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and SEBI Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity 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 this Letter of Offer, the 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 i.e. Interactive Financial Services Limited, has furnished to SEBI a due diligence certificate dated September 09, 2024 in accordance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, 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 dated Thursday, September 05, 2024 for the Buyback ("**Public Announcement**") which was published on Friday, September 06, 2024 and the letter of offer dated September 09, 2024 ("**Letter of Offer**"). On the basis of such examination and the discussions with the Company, we hereby state that:*

- *the Buyback is in compliance of the SEBI Buyback Regulations and the Letter of Offer contains the information required under the SEBI Buyback Regulations;*

- *the Public Announcement and Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;*
- *all the legal requirements connected with the said Buyback including Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with;*
- *the disclosures in the Public Announcement and Letter of Offer are to the best of our knowledge, true, fair and adequate in all material respects for the shareholders/ beneficial owners of the Company to make a well-informed decision in respect of the captioned Buyback; and*
- *funds used for the Buyback shall be as per the provisions of the Companies Act, 2013, as amended.”*

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

The Board of Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and / or incorporated in a manner that would amount to misstatement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed or withheld, or amounts to a misstatement or misrepresentation, Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI Buyback Regulations.

The Board of Directors also declare and confirm that, funds borrowed from banks and financial institutions, if any, will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America.

The Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. securities holders to be aware that this document is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian format and style, which differs from customary U.S. format and style. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in foreign countries other than the United States of America:

This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Buyback is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation which would subject the Company or the Manager to the Buyback to any new or additional requirements or registrations. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

Important Notice to all Equity Shareholders:

This Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. The Letter of Offer shall be dispatched to all Eligible Shareholders (Equity Shareholders as on the Record Date) as per the Buyback Regulations and such other circulars or notifications, as may be applicable. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholders as an offer being made to them. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

Forward Looking Statement:

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘believe’, ‘aim’, ‘anticipate’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will pursue’, or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter-alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

The Buyback has been authorised and approved by the Board of Directors at its meeting held on August 06, 2024. The relevant extracts of the resolution of the Board of Directors are set out below:

Quote

“RESOLVED THAT pursuant to Article of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 100 and other applicable provisions, if any, of the Companies Act, 2013 (as amended) (the “Act”), the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Management and Administration) Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the “Share Capital Rules”) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) (the “Buyback Regulations”), and subject to such approvals, permissions and sanctions as may be required and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board”, which shall include any Committee constituted/ to be constituted by the Board of Directors of the Company to exercise powers conferred by this resolution, including the Buyback Committee) and subject to approval of the members of the company, consent of the Board of Directors of the Company be and is hereby accorded for buyback of upto 3,60,000 (Three Lac Sixty Thousand) Equity Shares of the Company at ₹ 195/- (Rupees One Hundred Ninety Five Only) per Equity Share (hereinafter referred to as the "Buyback Price") for an aggregate amount not exceeding ₹ 7,02,00,000/- (Rupees Seven Crores Two Lacs only) excluding any expenses incurred or to be incurred for the buyback such as fee payable to the Securities and Exchange Board of India (“SEBI”), advisors’ fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc. and other incidental and related expenses (hereinafter referred to as the "Buyback Size"), representing 9.09% and 22.45% which is not exceeding 25% of the total number of equity shares in the total paid up equity capital of the Company and aggregate of the paid-up share capital and free reserves of the Company based on the audited financial statements of the Company for the financial year ended on March 31, 2024 respectively out of the Free Reserves of the Company or such other source as may be permitted by the Buyback Regulations or the Act, from the members of the Company, as on record date to be determined by the Board (hereinafter referred to as the “the Record Date”), on a proportionate basis through “Tender Offer” route through Stock Exchange mechanism as prescribed under the Buyback Regulations (the “Buyback”).”

“RESOLVED FURTHER THAT the Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR/ CIR/ P/ 2016/131 dated December 09, 2016 and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, including any amendments or statutory modifications for the time being in force (“SEBI Circulars”).”

“RESOLVED FURTHER THAT the Company may buy-back Shares from the existing members of the Company as on the Record Date, on a proportionate basis, provided that 15% of the number of Shares under the Buyback or the number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for small shareholders as prescribed under Regulation 6 of the Buyback Regulations.”

“RESOLVED FURTHER THAT the Buy-back shall be made by the Company from the free reserves and securities premium of the Company or such other permissible sources and on such terms and conditions as the Board may decide from time to time 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 Buy-back.”

“RESOLVED FURTHER THAT the Company shall not buy-back the locked-in Equity Shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the Equity Shares or other specified securities become transferable.”

“RESOLVED FURTHER THAT the Buyback of Shares from the non-resident members of the Company, including Overseas Corporate Bodies, Foreign Institutional Investors, members of foreign nationality, etc., shall be subject to such approvals, if and to the extent necessary or required, including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any and that such approvals shall be required to be taken by such shareholders themselves.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Director(s) / Key Managerial Personnel / Officer(s) / Authorised Representative(s) / Committee of the Company (including the Buyback Committee) in order to give effect to the aforesaid resolution, including but not limited to:

- finalizing/modifying the terms of the Buyback, as may be permissible under the law, with regard to the fixation of the Record Date, entitlement ratio, the time frame for completion of the Buyback, etc.;
- the appointment of merchant bankers /registrars / broker(s), legal counsel, depository participant(s), escrow agent(s), advertising agency(ies) and other advisor(s)/consultant(s) / intermediary(ies) / agency(ies), as may be required, for the implementation of the Buyback and decide and settle the remuneration for such persons/ advisors/ consultants/ intermediaries/agencies including by the payment of commission, brokerage, fee, charges etc;
- To open, operate and close special trading window account with the designated stock exchange and to decide the authorized signatories for special trading window account;
- To authorize bankers to act upon the instructions of the Merchant Banker as required under the Buyback Regulations;
- to make all necessary applications to the appropriate authorities for seeking their approvals including but not limited to approvals, as may be required, from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- to initiate all necessary actions for preparation, signing, issuing and filing of the Public Announcement, the Draft Letter of Offer, Letter of Offer and all other documents with respect to the Buyback with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities, as may be required;
- to obtain all necessary certificates and reports from the Statutory Auditors and other third parties as may be required under applicable laws;
- To verify offer/acceptances received, to finalize basis of acceptance, to pay to the members consideration for shares bought back pursuant to the Buyback;
- To adopt text of and to make Public Announcement, Letter of Offer and all offer documents with respect to the Buy-back, whether before or after the Buyback and any revision thereto;
- to enter into escrow arrangements and appoint escrow agents as required or desirable in terms of the Buyback Regulations and to open, operate and close all necessary accounts including escrow account, special payment account, demat escrow account as required or desirable in terms of the Buyback Regulations and to enter into escrow and other agreements with and to give instructions to the bankers in connection therewith, and provide bank guarantee(s) as may be required on such terms as deemed fit and to decide authorized signatories to such accounts including bank accounts and escrow accounts;
- opening, operation and closure of necessary bank accounts (including escrow account), issuance of bank guarantee in favour of the merchant bankers, or deposit of acceptable securities with appropriate margin with the merchant bankers, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- for the extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buy-back;

- to determine, finalise and pay tax on buyback; and
- to provide, finalise, execute and file such other undertakings, agreements, documents and correspondence, in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, depositories or other authorities or third persons from time to time as may be required, desirable or considered expedient for the implementation of the Buyback.”

“**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on the part of any member to offer and / or any obligation on the part of the Company or the Board or the Buyback Committee to Buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.”

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

“**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated Thursday, September 05, 2024 in the following newspapers in relation to the Buyback, which was published on Friday, September 06, 2024 i.e. within two Working Days from the date of declaration of voting results of the EGM on September 04, 2024 in which special resolution was passed by the Shareholders approving the Buyback:

Name of the newspaper	Language	Editions
Financial express	English	All Edition
Jansatta	Hindi	All Edition
Financial express	Gujarati	All Edition

The Company will publish further notices or corrigenda to or relating to the Public Announcement, if any, in the Above mentioned newspapers.

A copy of the Public Announcement is available on the Company’s Website i.e. www.arex.in ; website of SEBI at www.sebi.gov.in and on the website of the Stock Exchange, i.e., www.bseindia.com, on the website of Manager to the Buy-back i.e. www.ifinservices.in and on the website of the Registrar to the Buyback at www.linkintime.co.in.

6. DETAILS OF THE BUYBACK

The Buyback has been authorized by the Board of Directors in their meeting held on Tuesday, August 06, 2024, and by the Shareholders by a special resolution through EGM by remote e-voting, the voting results of which was declared on September 04, 2024. The details of the Buyback are provided below:

Name of the Company	Arex Industries Limited
Maximum number of Equity Shares proposed to be bought back	Up to 3,60,000 Equity Shares
Number of Equity Shares as a percentage of the total number of equity shares of the paid-up Equity Share Capital of the Company as on 31st March, 2024	The Shares to be bought back pursuant to the Buyback represents up to 9.09% of the total number of equity shares in the total paid up equity share capital of the Company as on financial year ending March 31, 2024.
Buyback Offer Price	Rs. 195/- (Rupees One Hundred Ninety-Five only) per Equity Share
Applicable regulations of SEBI and provisions of the Companies Act, in accordance with which the Buyback offer is made	The Buyback is being undertaken in terms of Chapter III of the SEBI Buyback Regulations, Sections 68, 69, 70, and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Methodology for the buyback	The Buy-back shall be undertaken on a proportionate basis from the Shareholders as of the Record Date through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-back Regulations and in accordance with the “Mechanism for acquisition of shares through Stock Exchange” as prescribed under the SEBI Circulars. In this regard, the Company will request the BSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buy-back. For the purposes of this Buy-back, BSE is the Designated Stock Exchange.
Maximum amount to be expensed towards the Buyback and its percentage with respect to the paid up share capital and free reserves of the Company	The maximum amount required for Buyback will not exceed Rs. 7,02,00,000 (Rupees Seven Crore Two Lakh only) (excluding the Transaction Costs), which represents 22.45% of the aggregate of the Company’s paid-up capital and free reserves (including securities premium) of the Company as per the financial statements of the Company as on March 31, 2024, (i.e., the last audited financial statements available as on the date of the Board Meeting recommending the proposal for approving the Buyback on August 06, 2024.)
Shareholding of the Promoters and Promoter Group and its percentage with respect to the total paid-up Equity Share capital of the Company	For details, please see the section entitled “ <i>Capital Structure and Shareholding Pattern</i> ” on page 18 of this Letter of Offer.
Intention of the Promoters and the persons in control of the Company to participate in the Buyback	Members of the promoter and promoter group of the Company do intend to participate in the proposed Buyback.
Promoters’ shareholding after the Buyback	For details, please see the section entitled “ <i>Capital Structure and Shareholding Pattern</i> ” on page 18 of this Letter of Offer.
Statement that post Buy-back non-promoter shareholding shall not fall below the minimum level required as specified under the LODR Regulations.	The Company is in compliance with the Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will comply with the said Regulation at all times during the Buyback Period. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the members of the Promoter and Person in Control in the Company may increase or decrease from their existing shareholding in the total equity capital and voting rights of the Company. The Company confirms that after the completion of the Buyback, if it resulting in fall in minimum public shareholding requirements as specified in Regulation 38 of the SEBI Listing Regulations, the company shall increase its public shareholding as specified in Regulation 38 and shall ensure the compliance with the requirement of minimum public shareholding requirements of the Company.

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 the existing Shareholding i.e. 70.53% of the total equity capital and voting rights of the Company, as on the date of the Letter of Offer. 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 will not result in any change in control over the Company.

7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken by the Company in accordance with the Articles of Association, the provisions of Sections 68, 69, 70, 100 and all other applicable provisions of the Companies Act and the SEBI Buyback Regulations. The Buyback is further subject to approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to SEBI and the Stock Exchange where the equity shares of the Company are listed.

The Board of Directors at their meeting dated August 06, 2024 has passed a resolution approving the Buyback of Equity Shares of the Company. As the Buyback is of more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2) (b) of the Act, it was necessary to obtain the consent of the shareholders of the Company to the Buyback by way of a special resolution. Accordingly, the consent of the members of the Company to the Buyback was obtained by means of a special resolution passed on EGM held on September 04, 2024 pursuant to EGM notice dated August 06, 2024 and the results of the same were declared on September 04, 2024.

8. NECESSITY OF THE BUYBACK

- i. Share buyback is the acquisition by a Company of its own equity shares. The Board is of the view that the proposed Buyback will help the Company achieve the following objectives

- (a) Optimize returns to shareholders;
- (b) Enhance overall shareholders value and
- (c) Optimizes the capital structure and enhance investors' confidence.

The above objectives will be achieved by returning part of surplus cash back to shareholders through the Buyback process. This may lead to reduction in outstanding Equity Shares, improvement in earnings per Equity Share and enhanced return on invested capital. 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. The Board at its meeting held on August 06, 2024, considered the accumulated free reserves as well as the cash liquidity reflected in the last audited financial statement as on March 31, 2024 and considering these, the Board decided to allocate a sum of Rs. 7,02,00,000/- (Rupees Seven Crore Two Lakh only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company through the Buyback.

- ii. After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback of at a price of Rs. 195/- (Rupees One hundred Ninety-five only) per Equity Share for an aggregate consideration of Rs. 7,02,00,000/- (Rupees Seven Crores Two Lakhs only). Buyback is being undertaken, inter-alia, for the following reasons:
 - a. The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the members;
 - b. The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as “**Small Shareholder**” as per Regulation 2(i)(n) of the SEBI Buyback Regulations;
 - c. The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
 - d. The Buyback 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 Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

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

The management of the Company believes that the Company has adequate financial resources including internal accruals to manage its day to day business affairs without affecting it in any manner and hence the management is of the view that the Buyback is not likely to cause any material impact on the profitability or earnings of the Company. Assuming there is full 100% acceptance of the Equity Shares tendered in the Buyback from Eligible Shareholders, the funds deployed by the Company towards the Buyback would be Rs. 7,02,00,000/- (Rupees Seven Crore Two Lakh only) excluding Transaction Cost. The Buy-back is not expected to impact growth opportunities for the Company.

The Buy-back will not result in a change in control or otherwise affect the existing management structure of the Company as the Promoters and Promoter Group of the Company are already in control over the Company.

- i. Consequent to the Buyback and based on the number of shares bought back, the shareholding pattern of the Company would undergo a change. The aggregate shareholding of the Promoters and of persons in control as on the date of the Notice of the EGM and Board Approval i.e. August 06, 2024 are as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares held	Percentage of issued Equity Share Capital
	Promoter		
1.	Dinesh Apparao Bilgi	861671	21.77
2.	Neel Dinesh Bilgi	253550	6.40
3.	Chirag Dineshbhai Bilgi	256500	6.48
4.	Pragnesh Kantilal Shah	31100	0.79
5.	Laxman Chetandas Tilani	78500	1.98
	Promoter Group		
6.	Bhav nababhai Dineshbhai Bilgi	280020	7.07
7.	Aashna Dinesh Bilgi	190000	4.80
8.	Dinesh Apparao Bilgi HUF	182200	4.60
9.	Manoj Uttam Shah	130900	3.31
10.	Kala Manoj Shah	119300	3.01

11.	Harkhchand Ravji Shah	100500	2.54
12.	Premal Vasant Shah	83700	2.11
13.	Hiren Vasant Shah	78800	1.99
14.	Meeta Laxman Tilani	64600	1.63
15.	Sushila Harakhchand Shah	35600	0.90
16.	Jayesh Laxman Tilani	35000	0.88
17.	Akansha Laxman Tilani	7500	0.19
18.	Chirag Dinesh Bilgi HUF	1300	0.03
19.	Neel Dinesh Bilgi HUF	1300	0.03
20.	Nirmala Lalchand Tilani	10	0.00
	Total	27,92,051	70.53

ii. Members of the promoter and promoter group of the Company intend to participate in the proposed Buyback as below:-

Sr. No.	Name of Shareholder	No. of Equity Shares held	Percentage of issued Equity Share Capital
	Promoter		
1.	Dinesh Apparao Bilgi	861671	21.77
2.	Neel Dinesh Bilgi	253550	6.40
3.	Chirag Dineshbhai Bilgi	256500	6.48
4.	Pragnesh Kantilal Shah	31100	0.79
5.	Laxman Chetandas Tilani	78500	1.98
	Promoter Group		
6.	Bhavnaben Dineshbhai Bilgi	280020	7.07
7.	Aashna Dinesh Bilgi	190000	4.80
8.	Dinesh Apparao Bilgi HUF	182200	4.60
9.	Manoj Uttam Shah	130900	3.31
10.	Kala Manoj Shah	119300	3.01
11.	Harkhchand Ravji Shah	100500	2.54
12.	Premal Vasant Shah	83700	2.11
13.	Hiren Vasant Shah	78800	1.99
14.	Meeta Laxman Tilani	64600	1.63
15.	Sushila Harakhchand Shah	35600	0.90
16.	Jayesh Laxman Tilani	35000	0.88
17.	Akansha Laxman Tilani	7500	0.19
18.	Chirag Dinesh Bilgi HUF	1300	0.03
19.	Neel Dinesh Bilgi HUF	1300	0.03
20.	Nirmala Lalchand Tilani	10	0.00
	Total	27,92,051	70.53

As per the Data available on the Website of BSE Limited, the date, price and other details of the Equity Shares held by the Promoters and Promoter Group who are intending to tender their shares are as follows:

Sr. No.	Date of Acquisition/Disposal	No. of Equity Shares	Face Value (in Rs.)	Cost of Acquisition per Share (in Rs.)*	Transaction Value (In Rs.)	Nature of Transaction
	Dinesh Apparao Bilgi					
1	01/04/2014	679710	10	N.A.#	N.A.#	Opening Balance**
2	23/06/2014	103100	10	N.A.#	N.A.#	Inter-se Transfer
3	15/09/2016	(172750)	10	N.A.#	N.A.#	Off-Market (Disposal)
4	09/03/2018	(102000)	10	-	-	Off-Market Gift (Disposal)
5	02/12/2021	11892	10	95.55	1136281.00	Market Purchase
6	14/12/2022	188000	10	122.00	22936000.00	Market Purchase
7	05/06/2023	126393	10	122.00	15419946.00	Market Purchase
8	14/06/2023	27326	10	122.00	3333772.00	Market Purchase
Total		861671	-	-		-

Sr. No.	Date of Acquisition/Disposal	No. of Equity Shares	Face Value (in Rs.)	Cost of Acquisition per Share (in Rs.)*	Transaction Value (In Rs.)	Nature of Transaction
Bhavanaben Dineshbhai Bilgi						
1	01/04/2014	178020	10	N.A.#	N.A.#	Opening Balance
2	09/03/2018	102000	10	-	-	Off Market Gift
Total		280020	-	-		-
Chirag Dineshbhai Bilgi						
1	01/04/2014	166650	10	N.A.#	N.A.#	Opening Balance
2	15/09/2016	86150	10	-	-	Off Market Gift
3	30/03/2019	2950	10	65.97	194600.00	Off Market
4	05/03/2020	750	10	53..33	40000.00	Off Market
Total		256500	-	-		-
Neel Dinesh Bilgi						
1	01/04/2014	166200	10	N.A.#	N.A.#	Opening Balance
2	15/09/2016	86600	10	-	-	Off Market Gift
3	05/03/2020	750	10	53.33	40000.00	Off Market
Total		253550	-	-		-
Aashana Dinesh Bilgi						
1	01/04/2014	190000	10	N.A.#	N.A.#	Opening Balance
Total		190000	-	-		-
Dinesh Apparao Bilgi (HUF)						
1	01/04/2014	182200	10	N.A.#	N.A.#	Opening Balance
Total		182200	-	-		-
Manoj Uttam Shah						
1	01/04/2014	52500	10	N.A.#	N.A.#	Opening Balance
2	21/03/2015	44500	10	10.00	445000	Inter-se Transfer
3	31/12/2015	33900	10	N.A.#	N.A.#	Inter se transfer
Total		130900				
Kala Manoj Shah						
1	01/04/2014	89400	10	N.A.#	N.A.#	Opening Balance
2	30/12/2015	29900	10	N.A.#	N.A.#	Inter-se Transfer
Total		119300	-	-		-
Harkhchand Ravji Shah						
1	01/04/2014	100500	10	N.A.#	N.A.#	Opening Balance
Total		100500				
Premal Vasant Shah						
1	01/04/2014	37500	10	N.A.#	N.A.#	Opening Balance
2	31/01/2018	46200	10	89.00	4111800.00	Off Market
Total		83700	-	-		-
Hiren Vasant Shah						
1	01/04/2014	32800	10	N.A.#	N.A.#	Opening Balance
2	31/01/2018	46000	10	89.00	4094000.00	Off Market
Total		78800	-	-		-
Laxman Chetandas Tilani						
1	01/04/2014	78500	10	N.A. #	N.A.#	Opening Balance
Total		78500	-	-		-
Meeta Laxman Tilani						
1	01/04/2014	64600	10	N.A.#	N.A.#	Opening Balance
Total		64600	-	-		-
Sushila Harakhchand Shah						
1	01/04/2014	35500	10	N.A.#	N.A.#	Opening Balance
2	Between 01/10/2015 to 31/12/2015	100	10	N.A.#	N.A.#	Not Available
Total		35600	-	-		-

Sr. No.	Date of Acquisition/Disposal	No. of Equity Shares	Face Value (in Rs.)	Cost of Acquisition per Share (in Rs.)*	Transaction Value (In Rs.)	Nature of Transaction
Jayesh Laxman Tilani						
1	01/04/2014	35000	10	N.A.#	N.A.#	Opening Balance
Total		35000	-	-		-
Pragnesh Kantilal Shah						
1	01/04/2014	31100	10	N.A.#	N.A.#	Opening Balance
Total		31100	-	-		-
Akansha Laxman Tilani						
1	01/04/2014	7500	10	N.A.#	N.A.#	Opening Balance
Total		7500	-	-		-
Chirag Dinesh Bilgi (HUF)						
1	01/04/2014	700	10	N.A.#	N.A.#	Opening Balance
2	11/12/2018	400	10	80.00	32000.00	Off Market
3	12/03/2019	200	10	73.80	14760.00	Off Market
Total		1300	-	-		-
Neel Dinesh Bilgi (HUF)						
1	01/04/2014	700	10	N.A.#	N.A.#	Opening Balance
2	11/12/2018	400	10	80.00	32000.00	Off Market
3	12/03/2019	200	10	73.80	14760.00	Off Market
Total		1300	-	-		-
Nirmala Lalchand Tilani						
1	01/04/2014	56300	10	N.A.#	N.A.#	Opening Balance
2	Between 01/10/2014 to 31/12/2014	(1000)	10	N.A.#	N.A.#	N.A.#
3	Between 01/01/2015 to 31/03/2015	(15501)	10	N.A.#	N.A.#	N.A.#
4	Between 01/04/2015 to 30/06/2015	(777)	10	N.A.#	N.A.#	N.A.#
5	Between 01/07/2015 to 30/09/2015	(3501)	10	N.A.#	N.A.#	N.A.#
6	28/01/2016	(35000)	10	N.A.#	N.A.#	Off Market (Disposal)
7	Between 01/07/2017 to 30/09/2017	(60)	10	N.A.#	N.A.#	N.A.#
8	Between 01/07/2018 to 30/09/2018	(450)	10	N.A.#	N.A.#	N.A.#
9	Between 01/04/2022 to 30/06/2022	(1)	10	N.A.#	N.A.#	N.A.#
Total		10	-	-		-

source: www.bseindia.com

Note: *Wherever prices are mentioned same are excluding transaction costs like brokerage, STT, stamp duty, etc.

**The Company has taken 31.03.2014 as the cut-off date for providing data of date and cost of acquisition by the Promoters and Promoter Group. Break-up of opening balance not available.

N.A.-Not Available, the details regarding cost of Acquisition with dates and price is not available with the promoters and Promoter group.

- iii. The aggregate number of specified securities, including Equity Shares, purchased or sold by Promoters and the persons in control of the Company:

No Equity Shares or other specified securities in the Company were either purchased or sold (either through the stock exchange or off market transactions) by any of the (i) promoters; (ii) members of the promoter group, during a period of

twelve months preceding the date of the Public Announcement i.e. September 05, 2024 and six months preceding the date of the Board Meeting and the Notice of the EGM i.e. August 06, 2024.

a. The aggregate shareholding of the Directors and Key Managerial Personnel (KMP) of the Company (excluding the Promoters and person in control) as on the date of the Notice and Board Approval, is as follows:

DIN/PAN	Name	Designation	No. of Equity Shares	% of Shareholding
00287931	Mr. Balkrishna Ishwarlal Makwana	Independent Director	10	Negligible
AHIPP5118P	Ms. Kairavi Neel Bilgi	Company Secretary & Compliance Officer	100	Negligible
Total			110	Negligible

- iv. The Promoters or their associates shall not deal in the specified securities, including the Equity Shares, in the Stock Exchange or off-market, including inter-se transfer of Equity Shares among the Promoters during the period from the date of passing of the Shareholders' approval, until the closing of the Buyback offer in accordance with the Buyback Regulations.
- v. The Board of Directors of the Company have confirmed that there are no defaults subsisting in repayment of deposits and 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 banking company.
- vi. Considering that the Promoters tenders their Equity Shares in the Buyback (in accordance with the declaration provided by them) and if
 - All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoters, post Buyback will increase from 70.53% (i.e. as on Record Date) to 71.06% and the aggregate shareholding of the public in the Company shall decrease from 29.47% to 28.94% of the post Buyback equity share capital of the Company; or
 - None of the public shareholders participate, then the aggregate shareholding of the Promoters, post Buyback will change as the Member of Promoter and Promoter Group do intend to participate or tender their shares in the Buyback.
- vii. Consequent to buyback and based on the number of Equity shares bought back from the Non- resident Shareholders, Indian Financial Institutions, Mutual Funds and the Public including other bodies corporate, their shareholding would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.
- viii. The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- ix. The Company believes that the Buyback will not in any manner impair its ability to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is likely to result in improvement in EPS and enhance the return on equity. The Buyback is being undertaken, inter alia, for helping the Company to return surplus cash to the Eligible Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to the shareholders.
- x. As per the provisions of the Buyback Regulations and under Section 68(2) (d) of the Companies Act, 2013, we hereby confirm that the ratio of the aggregate of secured and unsecured debts owed by the Company to the paid-up capital and free reserves after buyback shall be less than or equal to 2:1, based on financial statements of the Company.
- xi. In compliance with the provisions of Regulation 24(i) (f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of 12 (twelve) months from the expiry of the Buyback Period except in the discharge of subsisting obligations such as conversion of warrants, stock options, sweat equity or conversion of preference shares or debentures into Equity Shares. Further, as per Regulation 24(i) (b) of the SEBI Buyback Regulations, the Company shall not issue and allot any Equity Shares or other specified securities including by way of bonus issue from the date of resolution passed by the Shareholders approving the Buyback till the expiry of the Buyback Period, in accordance with the Companies Act, 2013 and the SEBI Buyback Regulations. The Company shall not make any further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1) (a) 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 in order to discharge subsisting obligations such as the conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

- xii. The Company shall not issue any Equity Shares or other specified securities, including by way of a bonus issue, till the date of expiry of the Buyback Period.
- xiii. We believe that the Buyback is not expected to impact growth opportunities for the Company.
- xiv. The Board of Directors confirms that the Company will comply with the provisions of the Takeover Regulations, if applicable.
- xv. The Board of Directors confirms that the Company has complied with the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, as may be applicable to the Buyback.
- xvi. The Company shall not buy-back its Equity Shares so as to delist its Equity Shares from the stock exchanges;
- xvii. The Company shall not buy-back out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities;
- xviii. That the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- xix. The Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- xx. The Company shall not allow Buy-Back of its Equity Shares unless the consequent reduction of its share capital is affected)
- xxi. Salient financial parameters (i.e. Accounting Ratios) pursuant to the Pre-Buyback and Post Buy-back based on the last audited financial statements as on March 31, 2024 of the Company are as under:assuming full acceptance of the Buy-Back offer,

Particulars	Pre-Buyback	Post-Buyback#
Book Value per Equity Share (in Rs.)***	79.85	68.33
Basic EPS (In Rs.)***	6.42	7.07
Networth (In Lakhs) ***	3161.09	2459.09
Return on Networth (in%)***	8.05	10.34
Price/ earnings ratio***	29.79	27.08
Total debt/equity Ratio (total debt/net worth)***	0.33	0.43

***Ratios are Calculated on the formulas defined Below:

Book value per equity share (In Rs.) = Net Worth/Number of Equity Shares

Basic EPS (in Rs.) = Profit after Tax for the year/Number of Equity shares

Net-Worth (in Lakhs) = Paid-up Capital + Other Equity

Return on Net worth (in %) = Profit after Tax for the year/Net Worth

Price/Earnings Ratio=Market Value per share/Basic Earnings Per share

Total Debt/Equity ratio=Total Debt/Net Worth

Assumptions taken by us while calculating Ratios:-

-“Net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the last audited standalone financial Statements for the year ended on March 31, 2024, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation and other Comprehensive Income.

-For Calculating of Basic Earnings per share and Book Value per Equity shares, the number of shares are derived as under:-

- For Pre-Buy Back-The Number of Equity shares as on March 31, 2024 is considered based on the last audited Financial statements for the year ended on March 31, 2024.
- For Post Buy-Back-The Number of Equity shares as on March 31, 2024 is derived by reducing the proposed number of Buy-back of Equity shares assuming full acceptance of equity shares offered for Buy-back from the total number of shares in the Last Audited standalone financial statements for the year ended on March 31, 2024.

-The total Debts amounts consist of Long- term and short term Borrowings.

-Pre and Post price/earnings ratio is Calculated considering market value per share as the Closing market price of the Equity Shares of the Company as on September 06, 2024 (i.e. the date on which the Public Announcement was published in newspaper) being Rs 191.40 (source: www.bseindia.com).

-Pre and post Buyback calculations are based on audited financial statements as on March 31, 2024. The post Buyback figures are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance of the Buy-Back Offer) without factoring in, any impact on the profit & loss account and Creation of Capital Redemption Reserve as required as per provisions of the Companies Act, 2013.

10. BASIS OF CALCULATING THE BUY-BACK PRICE

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 195/- (Rupees One Hundred Ninety-five only) per Equity Share ("Buyback Offer Price").

The Buyback Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on the BSE Limited ("BSE") where the Equity Shares are traded, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Equity Share. However, the Board of Directors/or the Buy-Back Committee is authorised to determine the specific price, the number of Equity Shares and other related particulars at which the Buyback will be made at the time of the Public Announcement for Buyback to the eligible Members.

The Buyback Offer Price represents:

The Premium of 24.07% to the volume weighted average market price (i.e. Rs. 157.16/-) of the Equity Shares of the Company on BSE, during the 91days (from May 02, 2024 to July 31, 2024, where the number of trading days in this period is 63 days) including the date of intimation to the BSE for the Board Meeting i.e. July 31, 2024 to consider the proposal of the Buyback as certified by the M/s. Sweta Patel & Associates, Chartered accountants, Ahmedabad, FRN:-139165W Dated August 06, 2024 bearing UDIN:-24154493BKATUU9320.

The closing market price of the equity shares as on date of intimation of the date of Board Meeting for considering the Buyback to the Stock Exchange. The closing price as on the date of intimation of the date of board meeting (i.e. July 31, 2024) for considering the Buyback at the BSE is Rs. 148.75.

The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up Equity capital and free reserves (including securities premium account) after the Buyback.

11. SOURCES OF FUNDS FOR THE BUYBACK

Assuming there is full 100% acceptance of the Equity Shares tendered in the Buyback from Eligible Shareholders, the funds deployed by the Company towards the Buyback would be Rs. 7,02,00,000/- (Rupees Seven Crores Two Lakhs only) excluding the Transaction Costs.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company (including securities premium account) and/or from balances of cash and cash equivalents and/or surplus funds and/or internal accruals of the Company and/or other permissible sources of funds or such other source as may be permitted by the SEBI Buyback Regulations or the Companies Act, 2013. The funds used will not exceed 25% of the paid-up equity capital and free reserves of the Company as on financial year ending March 31, 2024. The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback.

The Company will transfer from its free reserves a sum equal to the nominal value of the Equity Shares so bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement.

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

In accordance with Regulation 9 of the SEBI Buyback Regulations, the Company has appointed ICICI Bank Limited, having its branch office at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020, as the Escrow Agent for Buyback and has entered into an Escrow Agreement amongst the Company, the Manager to the Buyback and Escrow Agent on August 29, 2024.

In accordance with the SEBI Buyback Regulations, the Company has opened an Escrow Account in the name and style of "Arex Industries Limited Buyback Escrow A/c" bearing account number 000405158886 with the Escrow Agent. In accordance with

Regulation 9(xi) of the SEBI Buyback Regulations, the Company has deposited Rs. 1,75,50,000/- in the Escrow Account, in cash being the amount equivalent to the aggregate of 25% of consideration payable, within 2 working days of Public Announcement in accordance with the Buyback Regulations.

In accordance with the SEBI Buyback Regulations, the Manager to the Buyback is empowered to operate the Escrow Account.

13. FIRM FINANCING ARRANGEMENTS

The Company has adequate and firm financial resources for the purpose of Buyback and the same is certified vide a certificate dated August 05, 2024 by Jigar K. Shah, Partner of K P SHAH & ASSOCIATES bearing UDIN No. 24126747BKBZJC4087. The details of the independent chartered accountant are as follows:

K P SHAH & ASSOCIATES

Chartered Accountants
FRN: 109641W
Jigar Shah
Partner
Membership Number: 126747
Ahmedabad, August 05, 2024
UDIN: 24126747BKBZJC4087

Based on the aforementioned certificate, the Manager to the Buyback has ensured and satisfied itself about the ability of the Company to implement the Buyback in accordance with the SEBI Buy-back Regulations.

14. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

i. The present and the post-Buyback capital structure of the Company are set forth below:

Particulars	Pre-Buyback	Post completion of the Buyback [#]
Authorised share capital	5,00,00,000	5,00,00,000
Issued, subscribed and fully paid up share capital	3,95,87,000	3,59,87,000

[#] Assuming full acceptance of Equity Shares in the Buyback offer. However, the post-Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

- ii. The Company has not undertaken any buyback in the last 3 (three) years from the date of this Letter of Offer.
- iii. As on the date of this Letter of Offer, the Company confirms that all Equity Shares are fully paid-up
- iv. As on the date of this Letter of Offer, the Company does not have any convertible securities.
- v. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.
- vi. The Company confirms that it shall not issue, including through a bonus issue, Equity Shares or any other specified securities, until the expiry of the Buyback Period in accordance with Regulation 24(i)(b) of the Buyback Regulations.
- vii. The shareholding pattern of the Company before the Buyback, i.e., as on the record date i.e., September 07, 2024 and after the Buyback, is as follows:

Particulars	Pre-Buyback		Post-Buyback [#]	
	Number of shares	% of Shareholding	Number of Shares	% of Shareholding
Promoter and persons acting in concert (collectively "the Promoters")	2792051	70.53	2557249	71.06
Foreign Investors (including Non-Resident Indians, Foreign Nationals, FIIs and Foreign Mutual funds)	2034	0.05		
Financial Institutions / Banks & Mutual Funds promoted by Banks / Institutions	100	0		28.94
Others (Public, Public Bodies Corporate etc.)	1164515	29.42	1041451	
Total	3958700	100.00	3598700	100.00

[#]The Post-Buyback holding shall be as per the Buyback Entitlement, assuming full acceptance. However, the post-Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

- viii. The aggregate shareholding of the Promoters and Promoter Group of the Company and the persons who are in control of the Company before and after the Buyback as on the record date.

Sr. No.	Name of Shareholder	No. of Equity Shares held	Percentage of issued Equity Share Capital	Post Buy Back No. of Equity Shares Held	Percentage of issued Equity Share Capital
	Promoter				
1.	Dinesh Apparao Bilgi	861671	21.77	789206	21.93
2.	Neel Dinesh Bilgi	253550	6.40	232227	6.45
3.	Chirag Dineshbhai Bilgi	256500	6.48	234929	6.53
4.	Pragnesh Kantilal Shah	31100	0.79	28485	0.79
5.	Laxman Chetandas Tilani	78500	1.98	71899	2.00
	Promoter Group				
6.	Bhavnaben Dineshbhai Bilgi	280020	7.07	256471	7.13
7.	Aashna Dinesh Bilgi	190000	4.80	174021	4.84
8.	Dinesh Apparao Bilgi HUF	182200	4.60	166877	4.64
9.	Manoj Uttam Shah	130900	3.31	119892	3.33
10.	Kala Manoj Shah	119300	3.01	109267	3.04
11.	Harkhchand Ravji Shah	100500	2.54	92048	2.56
12.	Premal Vasant Shah	83700	2.11	76661	2.13
13.	Hiren Vasant Shah	78800	1.99	72173	2.01
14.	Meeta Laxman Tilani	64600	1.63	59168	1.64
15.	Sushila Harakhchand Shah	35600	0.90	32607	0.91
16.	Jayesh Laxman Tilani	35000	0.88	32057	0.89
17.	Akansha Laxman Tilani	7500	0.19	6870	0.19
18.	Chirag Dinesh Bilgi HUF	1300	0.03	1191	0.03
19.	Neel Dinesh Bilgi HUF	1300	0.03	1191	0.03
20.	Nirmala Lalchand Tilani	10	0.00	9	0.00
	Total	27,92,051	70.53	25,57,249	71.06

The Post-Buyback holding shall be as per the Buyback Entitlement, assuming full acceptance. However, the post-Buyback percentage and shareholding may differ depending upon the actual number of Equity Shares bought back.

14. BRIEF INFORMATION OF THE COMPANY

History of the Company

Our Company was originally incorporated as 'Arex Narrow Fabrics Private Limited, at Ahmedabad as a private limited company registered under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated May 10, 1989 bearing Certificate Number. 04-12213 of 1989-90 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Thereafter, our Company was converted into a public limited Company and consequently the name of our Company was changed to 'Arex Narrow Fabrics Limited' and a fresh certificate of incorporation was issued by Assistant Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated April 20, 1994. Subsequently name of the company changed to "Arex Industries Limited" and certificate of Incorporation pursuant to change of name was issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli dated April 20, 1994. The Corporate Identification Number (CIN) is L99999GJ1989PLC012213. In the year 1995, company came out with the Initial Public Offer (IPO) and got listed on Stock Exchanges i.e. Ahmedabad, Bombay, Vadodara, Bangalore and New Delhi. SEBI has granted Exit route to the Stock Exchange on November 09, 2015 to Vadodara Stock Exchange Ltd, on April 02, 2018 to Ahmedabad Stock Exchange Ltd, on December 26, 2014 to Bangalore Stock Exchange Ltd and on January 23, 2017 to Delhi Stock Exchange Ltd. (Source: www.sebi.gov.in). The Company's Corporate Identification No. is L99999GJ1989PLC012213. The Equity Shares of the Company are listed on BSE (Code: 526851). The ISIN of the Equity Shares is INE480H01011.

The Company has its registered office at 612, GIDC Industrial Estate, Chhatral Tal. Kalol, Gandhinagar, Gujarat, India, 382729. Overview of the Business of the Company: The Company is engaged in manufacturing of all types of woven and printed labels, which promotes brand image of the customers. The Company's product is largely used by the garment manufacturers within India and abroad.

The History of the Equity Share Capital of the Company is set out below:

Date of allotment	No. of Equity Shares Issued	Face Value	Issue Price	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Shares Capital (in Rs)
May 10, 1989	2	10	10	Cash	2	20
March 02, 1991	1,34,998	10	10	Cash	1,35,000	13,50,000

Date of allotment	No. of Equity Shares Issued	Face Value	Issue Price	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Shares Capital (in Rs)
April 21, 1992	1,65,000	10	10	Cash	3,00,000	30,00,000
October 12, 1994	1027900	10	10	Cash	13,27,900	1,32,79,000
November 21, 1994	3,32,100	10	10	Cash	16,60,000	1,66,00,000
April 12, 1995	2298700	10	10	Cash	39,58,700	3,95,87,000

The details regarding the Board of Directors as on the date of this Letter of Offer are as follows:

Name, Age, DIN, Nationality, Date of Appointment, Qualification and Occupation	Designation	Other Directorship in Indian Companies
1. DINESH APPARAO BILGI Age: 72 DIN: 00096099 Nationality: Indian Date of Appointment: May 01, 2009 Qualification: Bachelor of Textiles engineering Occupation: Business	Managing Director	COMPANIES- 1. Ultra Polydye Private Limited LLP- 1. Latha Services limited Liability Partnership 2. ACN Estates limited Liability Partnership
2. NEEL DINESH BILGI Age: 46 DIN: 00096180 Nationality: Indian Date of Appointment: August 01, 2005 Qualification: MBA (Marketing) Occupation: Business	Managing Director	Nil
3. CHIRAG DINESH BILGI Age: 41 DIN: 02094970 Nationality: Indian Date of Appointment: August 01, 2010 Qualification: B.B.A Occupation: Business	Managing Director	Nil
4. LAXMAN CHETANDAS TILANI Age: 72 DIN: 00532516 Nationality: Indian Date of Appointment: December 14, 1990 Qualification: Under Graduate Occupation: Business	Director	Nil
5. HARSHA HEMANTKUMAR PARIKH Age: 66 DIN: 06931405 Nationality: Indian Date of Appointment: August 1, 2014 Qualification: B.A. Occupation: House Wife	Independent Director	Nil
6. BALKRISHNA ISHWARLAL MAKWANA Age: 77 DIN: 00287931 Nationality: Indian Date of Appointment: February 01, 2003 Qualification: B.Sc Occupation: Retired Banker	Independent Director	Nil
7. AVIV JOSEPH DIVEKAR Age: 57 DIN: 00689884 Nationality: Indian Date of Appointment: September 01, 2021 Qualification: Bachelor of Engineering (Electrical) Occupation: Business	Independent Director	1. Astech Informatics Limited
8. PRAGNESH KANTILAL SHAH Age: 71	Non-Executive Director	Nil

Name, Age, DIN, Nationality, Date of Appointment, Qualification and Occupation	Designation	Other Directorship in Indian Companies
DIN: 00228223 Nationality: Indian Date of Appointment: December 14, 1990 Qualification: Bachelor of Engineering in Metallurgy Occupation: Business		
9. SUNIL BANSIBHAI SHAH Age: 47 DIN: 02107662 Nationality: Indian Date of Appointment: September 01, 2024 Qualification: Chartered Accountant Occupation: Professional	Additional cum Independent Director	1. Loxim Industries Limited
10. REKHA AGARWAL Age: 61 DIN: 10687675 Nationality: Indian Date of Appointment: September 01, 2024 Qualification: Master of Science, Statistics Occupation: Retired banker	Additional cum Independent Director	Nil
11. MANOJ UTTAM SHAH Age: 59 DIN: 00371917 Nationality: Indian Date of Appointment: September 01, 2024 Qualification: Diploma in Man-Made Textile Technology Occupation: Business	Additional Non-executive Director	1. Vasants Labels Private Limited

Changes in the Board of Directors during the last three years:

The following Changes have taken place in the Board of Directors of the Company in the last three years as on the date of Letter of Offer.

Sr. No.	Name of Director	Appointment / Re Appointment/ Cessation/ Change in Designation	Effective Date	Reasons
1.	Aviv Joseph Divekar	Appointment	September 01, 2021	Appointed as Additional Director
2.	Aviv Joseph Divekar	Change in Designation	September 27, 2021	Appointed as Director
3.	Pragnesh Kantilal Shah	Change in Designation	June 27, 2022	From Whole Time Director to Non-Executive Director
4.	Vasant Ravji shah	Cessation	June 17, 2024	Cessation due to Resignation
5.	Sunil Bansihbhai Shah	Appointment	September 01, 2024	Appointed as Additional Director
6.	Rekha Agarwal	Appointment	September 01, 2024	Appointed as Additional Director
7.	Manoj Uttam Shah	Appointment	September 01, 2024	Appointed as Additional Director

The Buyback will not result in any benefit to any directors of the Company, promoters and members of the promoter group and persons in control of the Company except to the extent to the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

The selected financial information, as extracted from the audited standalone financial statements of the Company for the last three financial years ended as on March 31, 2024, March 31, 2023, and March 31, 2022, is detailed below:

Particulars	For the Year Ended (Rs. in Lakh)		
	March 31, 2022	March 31, 2023	March 31, 2024
Revenue from Operations	5375.32	4502.12	5101.08
Other Income	6.30	13.41	9.38
Total Revenue	5381.62	4515.53	5110.46
Total Expenses (excluding finance cost, depreciation & amortization)	4256.49	3809.76	4192.52

Particulars	For the Year Ended (Rs. in Lakh)		
	March 31, 2022	March 31, 2023	March 31, 2024
Finance Cost	210.63	181.37	132.77
Depreciation & amortization	449.42	423.41	415.86
Exceptional Item	0.00	0.00	0.00
Profit/(Loss) before Tax	465.08	100.99	369.31
Tax Expenses (including Deferred tax)	95.28	30.91	114.98
Net Profit/(Loss) for the period	369.80	70.08	254.33
Paidup Capital (A)	395.87	395.87	395.87
Other Equity*(B)	2440.80	2510.88	2765.22
Networth (A+B)	2836.67	2906.75	3161.09
Total Debt	2332.11	1775.01	1049.20

Financial Ratios for the last three financial years ended as on March 31, 2024, March 31, 2023, and March 31, 2022 based on the audited standalone financial statements of the Company are as under:

Key Ratios	For the Year ended		
	March 31, 2022	March 31, 2023	March 31, 2024
Basic Earnings per share	9.34	1.77	6.42
Diluted Earnings per share	9.34	1.77	6.42
Book value per equity share	71.66	73.43	79.85
Return on Net worth (%)	13.04	2.41	8.05
Total Debt/Net Worth	0.82	0.61	0.33

**Ratios are Calculated on the formulas defined Below:

Book value per equity share (In Rs.) = Net Worth/Number of Equity Shares

Basic/Diluted EPS (in Rs.) = Profit after Tax for the year/Number of Equity shares

Net-Worth (in Lakhs) = Paid-up Capital + Other Equity

Return on Net worth (in %) = Profit after Tax for the year/Net Worth

Total Debt/Equity ratio=Total Debt/Net Worth.

17. STOCK MARKET DATA

The Company's equity shares are listed on BSE Limited. So, the BSE is being considered as stock exchange for the purpose of this Buyback.

The high, low and average market prices for the last three financial years and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement, i.e. September 06, 2024, and the corresponding volumes on BSE are as follows:

Previous Three Financial Years from the date of PA									
Fiscal year	High*			Low*			Average Price in Rs. per Share#	Total Volume Traded (Share)\$	Total Traded Value (Rs. Lakhs) in the Period
	High	Date of High	No. of Equity Shares Traded	Low	Date of Low	No. of Equity Shares Traded			
Year 2024	161.95	March 04, 2024	904	80.5	April 03, 2023	151	122.30	364636	47161757
Year 2023	314.70	October 20, 2022	69	76.05	March 29, 2023	2646	162.30	407889	52425973
Year 2022	181.45	February 08, 2022	255	59.8	May 18, 2021	2102	110.20	77347	7954605
#Arithmetic average of the closing prices of all trading days during the said period on the BSE.									
*Average price for the year is based on WAP available on the BSE.									
Previous Six months from the date of PA									
August, 2024	198.50	August 23, 2024	5499	160.00	August 01, 2024	5881	185.33	157307	29374964
July, 2024	159.70	July 16, 2024	196	140.10	July 26, 2024	522	149.84	13791	2047312
June, 2024	163.00	June 11,	1428	137.35	June 04,	1533	150.73	13147	1969516

		2024			2024				
May, 2024	244.00	May 02, 2024	10613	140.10	May 30, 2024	107	170.23	46542	8685154
April, 2024	231.10	April 30, 2024	1826 3	135.60	April 02, 2024	216	157.14	45643	8641667
March, 2024	161.95	March 04, 2024	904	127.25	March 15, 2024	1718	144.28	18989	2691241

Source: www.bseindia.com

#Arithmetic average of the closing prices of all trading days during the said period on the BSE

*High is the highest closing price recorded for the Equity Share of the Company during the said period and Low is the lowest closing price recorded for the Equity Share of the Company during the said period.

\$ Aggregate of No. of shares traded during the period.

The closing market prices of the Equity Shares on BSE are summarized below:

Event	Date	Price
Intimation to the Stock Exchange for the Board Meeting convened to consider the Buyback	July 31, 2024	148.75
One Trading Day post-Notice of Board Meeting	August 01, 2024	163.60
One Trading Day prior to Board Meeting	August 05, 2024	177.30
Board Meeting date	August 06, 2024	183.55
One Trading Day Post-Board Meeting	August 07, 2024	181.70
Date of Public Announcement	September 05, 2024	191.50

Source: www.bseindia.com

18. DETAILS OF THE STATUTORY APPROVALS

- Approval of the Board of Directors at their meeting held on August 06, 2024
- Approval of the Shareholders by special resolution in the Extra-Ordinary General Meeting held on September 04, 2024, the results of which were declared on September 04, 2024.
- The Buyback Offer is subject to approval, if any required under the provisions of the Companies Act, the Buyback Regulations and / or such other applicable rules and regulations for the time being in force.
- The Buyback of Shares from Non-Resident Shareholders / erstwhile Overseas Corporate Bodies (“OCB’s”) will be subject to approvals, if any, of the appropriate authorities, as may be required. The Buyback from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buyback. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- By agreeing to participate in the Buyback, the non-resident Eligible Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting.
- As on date, no other statutory or regulatory approval required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approval, changes to the proposed schedule of activities of the Buyback Offer, if any, shall be intimated to Stock Exchange.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- The Board of directors of the Company at its meeting held on August 06, 2024 has proposed the Buyback of not exceeding of up to 3,60,000 (Three Lakh Sixty Thousand) (representing 9.09% of the total number of Equity Shares in the existing total issued and paid-up equity capital of the Company as per the audited financial statements as of March 31, 2024), from all Eligible Shareholders on a proportionate basis, through the ‘tender offer’ process, at a price of ₹ 195/- (Rupees One Hundred Ninety-Five Only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding ₹ 7,02,00,000/- (Rupees Seven Crore Two Lakh only) excluding the Transaction Costs, which represents 22.45% of the aggregate of the Company’s paid-up capital and free reserves as per the audited financial statement of the Company for the financial year ending March 31, 2024 (being the latest audited financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback). The Equity Shareholders of the Company approved the Buyback by way of special resolution through EGM on September 04, 2024.

The Buyback is pursuant to the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, to the extent applicable, and the provisions of the Buyback Regulations and SEBI Listing Regulations. The Buyback is subject to receipt of such approvals of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from the RBI, SEBI, and/ or the Stock Exchange.

The promoters and members of the promoter group intends to participate in the Buy-Back. For further details, see “Management Discussion and Analysis and The Likely Impact of Buy-Back on The Company” on page no. 12.

2. THE COMPANY EXPRESSES NO OPINION AS TO WHETHER SHAREHOLDERS SHOULD PARTICIPATE IN THE BUYBACK AND ACCORDINGLY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN ADVISORS TO CONSIDER PARTICIPATION IN THE BUYBACK.

The aggregate shareholding of the members of the Promoter and Promoter Group as on the date of the Public Announcement and the date of this Letter of Offer is 27,92,051 Equity Shares, which represents 70.53% of the existing Equity Share capital of the Company. In terms of the Buy-back Regulations, under the ‘Tender Offer’ process, the Promoters and Members of Promoter Group of the Company have the option to participate in the Buy-back. In this regard, the Promoters and Promoter Group intends to participate in the Buyback. For further details, please refer to “Details of the Buy-back – Intention of the Promoters and Promoter Group of the Company to participate in the Buy-back” on page 11 of this Letter of Offer.

Assuming full acceptance of Equity Shares in the Buy-back as per Entitlement the aggregate shareholding and the voting rights of the Promoters and Promoter Group of the Company, may change from the existing 70.53% holding in the total Equity Share capital and voting rights of the Company to 71.06% of the post Buy-back Equity Share capital of the Company.

The Promoters and Promoter Group of the Company are already in control over the Company and therefore such further change in voting rights of the Promoters and Promoter Group of the Company will not result in any change in control over the Company.

Assuming full acceptance of Equity Shares in the Buy-back, as per Entitlement the aggregate shareholding of the public in the Company shall change to 28.94% post Buy-back from the current pre Buy-back shareholding of 29.47%.

3. Record Date and Ratio of Buyback as per the Buyback Entitlement:

- 1) As required under the SEBI Buyback Regulations, the Company has fixed September 07, 2024 as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders.
- 2) The Equity Shares to be bought back, as part of the Buyback is divided in to two categories:
 - (a) Reserved category for Small Shareholders (defined under Regulation 2(i)(n) of the SEBI Buyback Regulations as a shareholder, who holds shares or other specified securities whose market value, on the basis of closing price on the recognized stock exchange in which the highest trading volume, as on record date, is not more than Rs. 2,00,000 (Rupees Two Lakhs only); and
 - (b) The general category for all other shareholders.
- 3) In accordance with Regulation 6 of the Buyback Regulations, the reserved category for Small Shareholders shall be 15% of the number of Equity Shares (i.e. $360000 \times 15/100$ which works out to 54000 Equity Shares) which the Company proposes to Buyback, or number of $(320175/3958700 \times 360000)$ 29116 Equity Shares entitled as per shareholding of Small Shareholders, as on record date, whichever is higher.
- 4) Based on the shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity Shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.
- 5) Based on the above definition, there are 3156 Small Shareholders with aggregate shareholding of 320175 Shares, as on Record Date, which constitutes 8.09% of the outstanding paid up equity share capital of the Company and 88.94% of the maximum number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.
- 6) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
Reserved Category	127 Equity Shares out of every 753 fully paid-up Equity Shares held on the Record Date
General Category	64 Equity Shares out of every 761 fully paid-up Equity Shares held on the Record Date

- 7) In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these equity shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “**clearing members**” or “**corporate body margin account**” or “**corporate body - broker**” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.
- 8) The Eligible Shareholders participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of equity shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.
- 9) The maximum tender under the Buyback by any shareholder cannot exceed the number of equity shares held by the shareholders as on the Record Date. In case, the eligible shareholders holds equity shares through multiple demat accounts, the tender through a demat account cannot exceed the number of equity shares held in that demat account.
- 10) The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in SEBI Buyback Regulations.
- 11) Participation in the Buyback by the shareholders may trigger capital gains taxation in India and their country of residence. The Buyback transaction would also be subject to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.
- 12) Detailed instructions for participation in the Buyback (tendering of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible shareholders as on the Record Date.

4. Fractional Entitlements

- i. If the Buyback Entitlement under the Buyback, after applying the abovementioned ratios to the Shares held on Record Date is not a round number (i.e. not in the multiple of 1 (one) Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Shares in the Buyback for both categories of Eligible Shareholders.
- ii. On account of ignoring the fractional entitlement, those Small Shareholders who hold less than 6 Equity Shares as on Record Date will be mailed a Tender Form with zero entitlement. Such Small Shareholders may tender Additional Shares as part of the Buyback and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered Additional Equity Shares in the Buyback. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

5. Basis of Acceptance of Shares validly tendered in the Reserved Category

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

- a. Acceptance of 100% 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 Equity Shares tendered by them, whichever is less.
- b. Post the acceptance as described above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Share (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one Share each from such Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- c. Post the acceptance as described above, in case there are any Equity 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 Equity Shares tendered by them and the Acceptance per Small Shareholder shall be made in accordance with the Buyback Regulations. Valid Acceptances per Small Shareholder shall be equal to the Additional Shares validly tendered by the Small Shareholder divided by the total Additional Equity 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 Equity Share has been accepted in accordance with the above, shall be reduced by one.

d. Adjustment for fractional results in case of proportionate Acceptance, as described above:

- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not a multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buy-Back Committee or any person(s) authorized by the Buy-Back Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of acceptance of Equity Shares as set out in the process described above.

6. Basis of Acceptance of Shares validly tendered in the General Category

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

- a. Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b. Post the Acceptance as described above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the other Eligible 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 Buyback Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Eligible Shareholders divided by the total Additional Shares validly tendered in the General Category and multiplied by the total pending number of Shares to be Accepted in General Category.
- c. Adjustment for fractional results in case of proportionate acceptance as described above:
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buy-Back Committee or any person(s) authorized by the Buy-Back Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of acceptance of Equity Shares as set out in the process described above.

For avoidance of doubt, it is clarified that:

- i. the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with clauses above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholders;
- ii. the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with clauses above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and
- iii. the Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the clauses above.

7. Basis of Acceptance of Equity Shares between two categories

- i. After acceptances of tenders, as mentioned above, in case, there are any Equity Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Equity Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Eligible Shareholder shall be equal to further Additional Shares validly tendered by the Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Equity Shares left to be bought back in the Partially Filled Category.

- ii If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance, out of the Equity Shares left to be bought back in the Partially Filled Category.

8. Clubbing of entitlements

In accordance with Regulation 9(ix) of the SEBI Buyback Regulations, in order to ensure that the same shareholders with multiple demat accounts / folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of shareholders holding Physical Shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, foreign institutional investors / foreign portfolio investors etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes / sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- i) **THE BUYBACK IS OPEN TO ALL ELIGIBLE SHAREHOLDERS HOLDING SHARES EITHER IN PHYSICAL FORM AND/OR DEMATERIALIZED FORM AS ON RECORD DATE. THE COMPANY PROPOSES TO IMPLEMENT THE BUYBACK THROUGH A TENDER OFFER ROUTE, ON A PROPORTIONATE BASIS. THE LETTER OF OFFER AND TENDER FORM, OUTLINING THE TERMS OF THE BUYBACK AS WELL AS THE DETAILED DISCLOSURES AS SPECIFIED IN THE BUYBACK REGULATIONS, WILL BE MAILED TO THE ELIGIBLE SHAREHOLDERS.**
- ii) The Eligible Shareholder(s) who have registered their Email IDs with the depositories / the Company, shall be mailed the Letter of Offer only as per the SEBI Relaxation Circulars. The Letter of Offer will also be made available on the website of the Company at www.arex.in ; the Stock Exchange at www.bseindia.com; Registrar to the Buyback at www.linkintime.co.in and Manager to the Buyback at www.ifinservices.in. However, on the receipt of the request from the Eligible Shareholder for the physical copy, Registrar to the Buyback, Manager to the Buyback and Company shall undertake the reasonable steps to send this Letter of Offer and the Tender Form in the physical form either by courier / registered post or any other permissible mode. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in point no xii of the paragraph “Procedure for tender offer and Settlement”
- iii) **THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO MAILED THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.**
- iv. The Company will not accept any Equity Shares offered in the Buyback which is under any restraint order of a court or any competent authority for transfer / sale of such Equity Shares or the loss of equity share certificates has been notified to the Company or where the title to the Equity Share(s) is under dispute or otherwise not clear or where any other restraint subsists.
- v. In accordance with Regulation 24(v) of the SEBI Buyback Regulations, the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or until such Shares become transferable.
- vi. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- vii. The Eligible Shareholders’ participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure described in the section entitled “Process and Methodology for the Buyback” on page 24 of this Letter of Offer.
- viii. As indicate in Paragraph 19 “Process and Methodology for the Buyback” above, the Equity Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories viz.

- a. Reserved Category for Small Shareholders
b. the General Category for other Eligible Shareholders
and the Buyback Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.
- ix. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.
- x. The Buyback shall be implemented by the Company in accordance with the SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 on the “Mechanism for acquisition of shares through Stock Exchange”, the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 on “Streamlining the process for acquisition of shares pursuant to tender offers made for takeovers, buy back and delisting of securities”, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, and CFD/DCR-III/CIR/P/2021/615 dated August 13 2021. and following the procedure prescribed in the Companies Act, 2013 and the SEBI Buyback Regulations and as may be determined by the Board (and / or the Buyback Committee and on such terms and conditions as may be permitted by law from time to time.
- xi. In case of non-receipt of the Letter of Offer and the Tender Form
- a. If Eligible Shareholder(s) holding Equity shares in dematerialized form, who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email ID mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, the Company shall undertake reasonable steps to send the Letter of Offer and the Tender Form either physically by an expedited commercial courier service / registered post or by any other permissible mode of communication (to the extent possible). An Eligible Shareholder may participate in the Offer by downloading the Letter of Offer and the Tender Form from the website of the Company at www.arex.in, the Stock Exchange at www.bseindia.com, the Registrar to the Buyback at www.linkintime.co.in and the Manager to the Buyback at www.ifinservices.in , in accordance with the SEBI Relaxation Circulars or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding), stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.
- b. An Eligible Shareholder holding Equity Shares in physical form, may participate in the Buyback by downloading the Letter of Offer and Tender Form from the website of the Company at www.arex.in, the Stock Exchange at www.bseindia.com, the Registrar to the Buyback at www.linkintime.co.in and the Manager to the Buyback at www.ifinservices.in, in accordance with the SEBI Relaxation Circulars or by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favour of the Company. The transfer form (SH-4) can be downloaded from the Company’s website at www.arex.in. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in below), reach the Registrar to the Buyback on or before Buyback Closing Date (by 5:00 p.m.). The envelope should be super scribed as “Arex Industries Limited - Buy-back 2024”. If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar to the Buy- back or the Company or are not in the same order (although attested), the Company or the Registrar to the Buyback shall have a right to reject such applications. For further process, please refer to paragraph “xxiii of Procedure for Tender Offer and Settlement” for the procedure to be followed by Eligible Shareholders holding Equity Shares in physical form” on page 30.
- c. **Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date, otherwise the same are liable to be rejected.**
- xii. **The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the “plain paper” option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.**
- xiii. For implementation of the Buyback, the Company has appointed **NNM Securities Private Limited** as the registered broker of the Company (the “Company’s Broker”) to facilitate the process of tendering of Equity Shares through the Stock Exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Brokers are as follows:

Name:	NNM Securities Private Limited
SEBI Registration No.	INZ000234235
CIN:	U67120MH1997PTC111496
Address:	1111 Stock Exchange Tower, 11 th Floor, Dalal street fort, Mumbai, MH-400023
Tel No.:	022-22722279/80/81
Email Id:	support@nmmsecurities.com
Website:	www.nmmsecurities.com
Contact Person:	Mr. Nikunj Anilkumar Mittal

- xiv. BSE will be appointed as the “Designated Stock Exchange” to provide a separate “Acquisition Window” to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the platform will be as specified by BSE, from time to time. All eligible shareholders may place orders in the Acquisition window of BSE, through their respective stock brokers (“Shareholder Broker”).
- xv. At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through Company’s Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective stock brokers (“**Shareholder Broker**”) during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company’s Broker may also process the orders received from the Eligible Shareholders.
- xvi. In the event Shareholder Broker(s) are not registered with the Designated Stock Exchange or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the Designated Stock Exchange and can make a bid by using quick unique client code (“UCC”) facility through that stock broker registered with the Designated Stock Exchange after submitting the details as may be required by the stock broker to be in compliance with the SEBI Buyback Regulations. In case Eligible Shareholders is not able to bid using quick UCC facility through any other stock broker registered with the Designated Stock Exchange, then the Eligible Shareholders may approach the Company's Broker, to bid by using quick UCC facility after submitting requisite documents.
- xvii. All Eligible Shareholders, through their respective Shareholder Broker(s) will be eligible and responsible to place orders in the Acquisition Window. All Eligible Shareholders can enter orders for Equity Shares in demat form as well as Shares in physical form.
- xviii. Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- xix. The cumulative quantity tendered shall be made available on BSE website www.bseindia.com throughout the Tendering Period, and will be updated at specific intervals during the Tendering Period.
- xx. Any Equity Shares tendered after the Buyback Closing Date, i.e. September 19, 2024 upto 05:00 p.m. by an Eligible Shareholder shall not be accepted.
- xxi. All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- xxii. **Procedure to be followed by Eligible Shareholders holding Shares in dematerialized form:**
- Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Shareholder Broker by indicating to such Shareholder Broker the details of Shares they intend to tender under the Buyback.
 - The Shareholder Broker would be required to place an order / bid on behalf of the Eligible Shareholder(s) who wish to tender Equity Shares in the Buyback using the Acquisition Window of BSE. Before placing the bid, the Eligible Shareholder would need to transfer the tendered Shares into the account of BSE through the early pay-in mechanism of the Depositories prior to placing bid by the Shareholder Broker. For further details, Eligible Shareholders may refer to the circulars issued by BSE/Clearing Corporation.
 - The details of the special account shall be informed in the issue opening circular that will be issued by the BSE or the Clearing Corporation.
 - Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the BSE’s bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as Bid ID No., Application No., DP ID, Client ID, number of Shares tendered etc.

- e. In case of demat Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for Eligible Shareholders holding Shares in demat form.
- f. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to such Eligible Shareholder.
- g. Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to)
 - Duly attested power of attorney, if any person other than eligible shareholder has signed the Tender Form.
 - Duly attested death certificate and succession certificate/legal heirship certificate, in case eligible shareholder has expired.
 - In case of companies, the necessary certified corporate authorizations (including board and/or general meeting authorizations).
- h. For custodian participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closure of the trading hours on the last day of the Tendering period i.e., date of closing of the Buyback Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification by the concerned Shareholder Broker shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

xxiii. **Procedure to be followed by Eligible Shareholders holding Shares in physical form:**

- a. SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144, Dated July 31, 2020 has clarified that the shareholders holding securities in physical form are allowed to tender shares in Buyback through tender offer route.
- b. Eligible Shareholders who are holding Equity Shares in the physical form and intend to participate in the Buyback will be required to approach their Shareholder Broker along with the complete set of documents for verification procedures to be carried out. The documents include the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, as may be applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address reflected in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar Card, (ii) Voter Identity Card or (iii) Passport.
- c. An unregistered shareholder holding Physical Shares may also tender his Equity Shares for Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, copy of his PAN card and of the person from whom he has purchased shares and other relevant documents as required for transfer, if any.
- d. For orders for physical Equity Shares, the Shareholder Brokers should place bids on the Acquisition Window with relevant details as mentioned on physical share certificate(s). The Shareholder Brokers shall be required to print the Transaction Registration Slip ("TRS") generated by the Exchange Bidding System. TRS will contain the details of the order submitted including the bid identification number, the application number, DP ID, Client ID in case of dematerialised Equity Shares or the folio number, certificate number, distinctive numbers and the number of Equity Shares tendered in case of Equity shares held in the physical form and the number of Equity Shares tendered either by registered post or courier or hand delivery to the Registrar within two days of bidding by such Shareholder Broker and upto 5:00 P.M on the Buy-back offer closing date i.e September 19, 2024. The envelope should be super scribed as "**Arex Industries Limited-Buyback 2024**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to such Shareholder Broker or Eligible Shareholder.
- e. **IN CASE ANY PERSON HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALISATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF GETTING THE EQUITY SHARES DEMATERIALISED IS COMPLETED BEFORE SUCH ELIGIBLE SHAREHOLDERS TENDER THEIR EQUITY SHARES IN THE BUYBACK, SO THAT THEY CAN PARTICIPATE IN THE BUYBACK OFFER.**
- f. Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as "unconfirmed physical bids". Once, the Registrar confirms the bids it will be treated as "Confirmed Bids

xxiv. **For equity shares held by Eligible Shareholders, being Non- Resident Shareholders of Equity Shares**

- a. While tendering their Equity Shares under the Buyback Offer, all Non-Resident Equity Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all Shareholders in case the Equity Shares are held in joint names) Tender Forms. In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b. FPI Shareholders should also enclose a copy of their SEBI registration certificate.
- c. Erstwhile OCBs are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. OCBs are required to obtain and enclose RBI approval for tendering Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCBs/ NRIs in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- d. Where Non-Resident Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non-Resident Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non-Resident Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, as also a copy of the self-certified declaration for non-existence of a permanent establishment should be submitted along with the Tender Form. A copy of the Tender Form must also be provided to the relevant Seller Broker.
- e. If the Non-Resident Shareholder requires the Seller Broker not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income- tax authorities, either under Section 195(3) or under Section 197 of the Income Tax Act, and submit this to Company and the Shareholders' Broker while submitting the Tender Form. In absence of such certificate from the Income-tax authorities, the Shareholders' Broker shall deduct tax on gross consideration at the prescribed rate of tax.
- f. It is recommended that the Non-Resident Shareholders submit a copy of the PAN card along with the Tender Form as PAN verification is necessary for the Company and Shareholders' Broker to deduct taxes at the appropriate rate as well as to avoid queries regarding availability of tax credit on the TRACES website. In the absence of PAN, a different rate may be applicable as per the provisions of the Indian tax laws.
- g. Non-Resident Shareholders who have acquired Equity Shares of the Company under the approval route of the RBI and erstwhile OCBs are required to submit copies of earlier RBI approvals along with their respective Tender Forms.
- h. **In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose the supporting documents. Such documents could include:**
 - a copy of the permission received by them from RBI at the time of the original acquisition of Equity Shares.
 - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for this was made by the Non-Resident Shareholder from the appropriate account as specified by RBI in its approval.
 - any other document which evidences reparability of sale proceeds in respect of the tendered Shares
 - In case the Non-Resident Shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of rupee demand draft.

If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected. The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback.

xxv. **Additional procedural requirements for Eligible Shareholders, whose stock broker are not registered with BSE**

The Eligible shareholder approaching the BSE registered broker with whom he does not have an account:

In case of Public Shareholder being an individual

If Public Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:

- a. Central Know Your Client ("CKYC") form including Foreign Account Tax Compliance Act ("FATCA"), In Person Verification ("IPV"), Original Seen and Verified ("OSV") if applicable
- b. Know Your Client ("KYC") form documents required (all documents self-attested):
 - Bank details (cancelled cheque) and
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

If Eligible Shareholder is not registered with KRA: Forms required:

- a. CKYC form including FATCA, IPV, OSV if applicable
- b. KRA form

- c. KYC form documents required (all documents self-attested):
 - Permanent Account Number (“PAN”) card copy
 - Address proof
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

It may be noted, that other than submission of above forms and documents, in person verification may be required.

In case of Public Shareholder, being a Hindu Undivided Family (“HUF”):

If Eligible Shareholder is registered with KRA: Forms required:

- a. CKYC form of karta including FATCA, IPV, OSV if applicable.
- b. KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

If Public Shareholder is not registered with KRA: Forms required:

- a. CKYC form of karta including FATCA, IPV, OSV if applicable
- b. KRA form
- c. KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

It may be noted that, other than submission of above forms and documents, in person verification may be required.

In case of Public Shareholder other than Individual and HUF:

If Public Shareholder is KRA registered: Form required:

- a. KYC form documents required (all documents certified true copy):
- b. Bank details (cancelled cheque)
- c. Demat details for Equity Shares in demat mode (demat master /latest demat statement)
- d. FATCA, IPV, OSV if applicable
- e. Latest list of directors/authorised signatories/partners/trustees
- f. Latest shareholding pattern
- g. Board resolution
- h. Details of ultimate beneficial owner along with PAN card and address proof
- i. Last 2 years financial statements

If Public Shareholder is not KRA registered: Forms required:

- a. KRA form
- b. KYC form documents required (all documents certified true copy):
- c. PAN card copy of company/ firm/trust
- d. Address proof of company/ firm/trust
- e. Bank details (cancelled cheque)
- f. Demat details for Equity Shares in demat mode (demat master /latest demat statement)
- g. FATCA, IPV, OSV if applicable
- h. Latest list of directors/authorized signatories /partners/trustees
- i. PAN card copies & address proof of directors/authorized signatories/ partners/trustees
- j. Latest shareholding pattern
- k. Board resolution/partnership declaration
- l. Details of ultimate beneficial owner along with PAN card and address proof
- m. Last 2 years financial statements
- n. Memorandum of association/partnership deed /trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required. It may be noted that the above-mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

xxvi. **Acceptance of orders**

The Registrar to the Buyback shall provide details of order acceptance to Clearing Corporation within specified time lines.

xxvii. **Method of Settlement**

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

- a. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.
- b. The Company will pay the consideration pertaining to the Buyback to the Clearing Corporation's bank account through the Company's Brokers as per the secondary market mechanism, as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Shareholder Broker for onward transfer to the such Eligible Shareholder holding Shares in dematerialized form.
- c. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.
- d. For the Eligible Shareholders holding Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- e. The Equity Shares bought back in the dematerialized form would be transferred directly to the Demat escrow account of the Company provided it is indicated by the Company's Brokers or it will be transferred by the Company's Brokers to the Company Demat Escrow Account on receipt of the Shares from the clearing and settlement mechanism of the BSE.
- f. Excess Equity Shares held in the dematerialised form or unaccepted Equity Shares held in the dematerialised form, if any, tendered by the Eligible Shareholder would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. Any excess Equity Shares held in the physical form pursuant to proportionate acceptance/ rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares held in the physical form, in case the Equity Shares held in the physical form accepted by the Company are less than the Equity Shares held in the physical form tendered in the Buyback.
- g. The Shareholder Broker would issue contract note for the Equity Shares accepted under the Buyback. The Company's Brokers would also issue a contract note to the Company for the Shares accepted under the Buyback.
- h. Shareholders who intend to participate in the Buyback should consult their respective Selling Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Member upon the selling Eligible Shareholder for tendering Shares in the Buyback (secondary market transaction). The Manager to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Selling Member, and such costs will be incurred solely by the Eligible Shareholders
- i. The Equity Shares lying to the credit of the Company Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.
- j. The Company Broker would issue a contract note to the Company for the Equity Shares accepted under the Buyback.

xxviii. **Rejection Criteria**

The Equity Shares tendered by Eligible Shareholders (in the dematerialized form) would be liable to be rejected on the following grounds.

- a. The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
- b. If there is a name mismatch in the dematerialised account of the Shareholder and PAN.
- c. in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form; or
- d. 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.

The Equity Shares tendered by Eligible Shareholders (in the physical form) would be liable to be rejected on the following grounds

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar before the close of business hours to the Registrar on or before the closing date September 19, 2024 by 5:00 p.m.;
- b. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate;
- c. If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- d. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- e. In the event the signature in the Tender Form and Form SH 4 do not match as per the specimen signature.
- f. 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

21. NOTE ON TAXATION

THE FOLLOWING SUMMARY OF THE TAX CONSIDERATIONS ARE BASED ON THE READING OF THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE COMPLEXITY AND THE SUBJECTIVITY INVOLVED IN THE TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION, INCLUDING A TAX POSITION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL

The Indian tax year runs from April 1 to March 31. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 ('Income Tax Act' or 'ITA').

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her India sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement ("DTAA") subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the ITA.

The summary of tax implications on buyback of equity shares listed on the stock exchange in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchange in India unless stated otherwise.

2. Classification of Shareholders

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in two categories as below:

- A. Resident Shareholders being:

- a. Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP.
 - b. Others (corporate bodies):
 - Company
 - Other than Company
- B. Deemed Resident Shareholder –an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs 15 lakh during the tax year.
- C. Non-Resident Shareholders being:
- a. Non-Resident Indians (NRIs)
 - b. Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - c. Others:
 - Company
 - Other than Company

3. INCOME TAX PROVISIONS IN RESPECT OF BUYBACK OF SHARES LISTED ON THE RECOGNISED STOCK EXCHANGE (BUYBACK WHOSE PUBLIC ANNOUNCEMENT HAS BEEN MADE AFTER 5TH JULY 2019) CONSIDERING RELEVANT AMENDMENTS UNDER THE FINANCE (NO. 2) ACT, 2019) AND TAXATION LAWS (AMENDMENT) ACT, 2019

Section 115QA of the IT Act provides for the levy of additional Income-tax at the rate of twenty per cent (as increased by surcharge and Health and Education cess, as applicable) of the distributed income on account of buyback of shares of all domestic Indian companies including listed companies i.e. companies whose shares are listed on a recognized stock exchange. In respect of listed companies, the provisions of section 115QA are applicable in respect of all the buybacks of shares whose public announcement has been made after 5 July 2019. Accordingly, the Company would be subject to an additional Income - tax at the rate of twenty per cent (as increased by surcharge and Health and Education cess, as applicable) of the distributed income on account of buyback of shares. "Distributed income" means the consideration paid by the Company on buyback of shares as reduced by the amount, which was received by the Company for issue of such shares, determined in the manner as may be prescribed. Thus, the tax implications to the following categories of shareholders are as under:

A. Resident Shareholders or Deemed Resident Shareholders

As an additional income-tax has been levied on the Company under Section 115QA of the ITA, the consequential income arising in the hands of shareholders has been exempted from tax under sub-section (34A) of section 10 of the ITA. Accordingly, any income arising in the hands of shareholder on account of buyback of shares shall be exempt from tax under sub-section (34A) of section 10 of the ITA with effect from July 05, 2019. The said income will be exempted in the hands of the shareholder irrespective of the class/residential status of the shareholder and purpose for which shares are held (i.e. as "Investments" or "Stock in Trade").

B. Non-Resident Shareholders

While the income arising to the shareholder on account of buyback of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence for non-resident shareholders as per the provisions of the tax laws of that country subject to provisions of Double Taxation Avoidance Agreement, if any. The credit of tax may or may not be allowed to such Non- resident shareholder to be claimed in the country of residence in respect of the Buyback tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

4. Tax Deduction at Source

In view of the above and currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ Buyback of shares in case of resident shareholders/ deemed resident / non-resident shareholders. Given that income arising on account of the buy-back of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders

5. Securities Transaction Tax

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, Securities Transaction Tax at 0.1% of the value of the transaction will be applicable.

6. CHANGES PROPOSED IN UNION BUDGET 2024-25

With effect from October 1, 2024, below changes are proposed in the buyback tax provisions, however these changes may not be applicable to the proposed Buyback considering the time schedule for buyback prescribed hereinabove in this Letter of Offer:

- a. Buy-back tax will be abolished and consideration received by the shareholders on account of buyback of equity shares shall be taxed in the hands of the shareholders as dividend income and shall be charged to income-tax at applicable rates.
- b. Consideration paid for the buyback of equity shares is to be taxed without allowing any deduction.
- c. TDS provisions to apply on payments to shareholders. Domestic company will withhold tax at 10% from payment to resident shareholders.
- d. Cost of acquisition of equity shares to be considered as capital loss for the shareholders, which shall be eligible for setoff against any other capital gain.

7. Caveat

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note 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.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clauses (ix) and clause (x) of Schedule I to the SEBI Buyback Regulations. The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. August 06, 2024:

- i. that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- ii. that immediately following the date of the Board Meeting held on August 06, 2024, there will be no grounds on which the Company could be found unable to pay its debts;
- iii. that as regards the Company's prospects for the year immediately following the date of the Board Meeting held on August 06, 2024, 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 approving the Buyback; and
- iv. that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016 (to the extent notified and in force). This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on August 06, 2024.

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on August 06, 2024.

For and on behalf of the Board of Directors of Arex Industries Limited

Sd/-
Dinesh Apparao Bilgi
(Managing Director cum CFO)

DIN: 00096099

Sd/-
Neel Dinesh Bilgi
(Managing Director)

DIN: 00096180

Sd/-
Mrs. Kairavi Neel Bilgi
(Company Secretary & Compliance
Officer)

23. AUDITORS CERTIFICATE

The text of the Report dated August 06, 2024 received from M/s. Sweta Patel & Associates, Chartered Accountants, (FRN:139165W) the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

QUOTE

To
The Board of Directors
AREX INDUSTRIES LIMITED

612, G.I.D.C. Estate, Chhatral,
Taluka - Kalol
Dist. - Gandhinagar
Gandhinagar - 382 729

Dear Sirs,

Sub : Independent Auditor's Report in respect of proposed buy back of equity shares by AREX INDUSTRIES LIMITED ("the Company") in terms clause (xi) of Schedule I to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (as amended) (the "Buy-back Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated 6th August, 2024.
2. The Board of Directors of the Company has approved a proposal for the buy-back of Equity Shares by the Company at its meeting held on 6th August, 2024, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the Buy-back Regulations.
3. We have been requested by the Management of the Company to provide a report on the accompanying "Computation of amount of permissible capital payment towards buyback of equity shares of AREX INDUSTRIES LIMITED in compliance with Section 68(2)(c) of the Act and provisions under the Buy-back Regulations, based on annual audited standalone financial statements as on 31st March, 2024." (hereinafter referred to as the "Statement"). This Statement has been prepared by the Management, which we have initialled for the purpose of identification.

Management Responsibility

4. The preparation of the Statement in compliance with Section 68(2)(c) of the Act, Regulation 4(i) of the Buy-back Regulations and the proviso to Regulation 5(i)(b) of the Buy-back Regulations and compliance with the Buy-back Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment (including premium), and the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls 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.

In the absence of any definition of or guideline for "Insolvent" in the Buy-back Regulations, the Company has considered a situation for not being able to continue as a going concern (as mentioned in Standard on Auditing 570 (Revised) issued by Institute of Chartered Accountants of India) for a period of 1 year from 6th August 2024 as "Insolvent".

Auditor's Responsibility

5. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance whether:
 - (i) We have inquired into the state of affairs of the Company in relation to the Annual audited financial statements of the company for the period ended 31st March, 2024;
 - (ii) The amount of permissible capital payment for the proposed buy-back of equity shares as stated in Annexure A, has been properly determined considering the Annual audited financial statements as at 31st March, 2024, in accordance with the provisions of Section 68(2) of the Act and Regulations 4 and 5 of the Buy-back Regulations; and
 - (iii) The Board of Directors of the Company, at its meeting held on 6th August, 2024, have 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 one year from the date of the board meeting held to consider the proposal of Buy-back of Equity Shares.
6. The annual standalone financial statements referred to in paragraph 5 above, have been audited by us. We conducted the audit of the annual standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act 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. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "Guidance Note") and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. 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) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid buy-back.

Opinion

9. Based on inquiries conducted and our examination as above, we report that:

i. We have inquired into the state of affairs of the Company in relation to its Annual audited financial statements for the financial period ended on 31st March, 2024.

ii. The amount of permissible capital payment towards the proposed buy-back of Equity Shares as computed in the Statement attached herewith as Annexure A, in our view has been properly determined in accordance with section 68(2) of the Act and Regulations 4 and 5 of the Buy-back Regulations.

iii. The amount of share capital and its free reserves (including securities premium) have been extracted from the audited Annual financial statements of the Company as on March 31, 2024; and

iv. The Board of Directors of the Company, at its meeting held on 6th August 2024, have formed its 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 one year from the date of the Board Meeting (i.e., 6th August, 2024)

Restriction of use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the provision of section 68 and other applicable provisions of the act read with rule 17 (Share Capital & Debenture Rules 2014) as amended and the SEBI buyback regulation pursuant to the process buyback of equity shares. Our obligations in respect of this report are entirely separate and our responsibilities and liabilities in no way change by any other role we may have as auditor of the company or otherwise. Nothing in this report nor anything said or done in the course of or in connection with the services that are the subject of this report will extend any duty of care we may have in our capacity as the statutory auditor of the company.
11. This report has been issued at the request of the Company solely - (i) for use of the Company in connection with the proposed buy-back of Equity Shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buy-back Regulations, (ii) to enable the Board of Directors of the Company to include it in the Public Announcement, Letter of Offer and other documents pertaining to buyback to be sent to the Shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, Stock Exchange, public shareholders and any other regulatory authority as per applicable laws and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the manager, and should not be used by any other person and may not be suitable 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 without our prior consent in writing.

We are also not responsible for changes, events and circumstances occurring after the date of this report which may require an updation of this report

For, **SWETA PATEL & ASSOCIATES**
CHARTERED ACCOUNTANTS,
(Firm Registration No.- 139165W)

Date : 06/08/2024
Place : Ahmedabad

Sd/-
Sweta H. Patel
Partner
Membership No. 154493
UDIN: 24154493BKATUK6466

Annexure A - Statement of Permissible Capital Payment (including premium) as at 31 March, 2024

Statement showing - Computation of amount of permissible capital payment towards buy-back of equity shares of Arex Industries Limited in compliance with Section 68 (2) (c) of the Act and provisions under the Buy-back Regulations, based on annual audited standalone financial statements as at 31st March 2024.

Sr. No.	Particulars	Standalone Amount
A	Paid up equity share capital and free reserves as on March 31, 2024, based on the Annual audited financial statements of the Company	
	Total paid-up Equity Share Capital	₹ 395.87
	Free Reserves*, comprising	
	- Securities Premium Account	-
	- General Reserve	-
	- Retained Earnings	₹ 2731.30
	Total Paid up Equity Share Capital and Free Reserves	₹ 3127.17
B	The amount of Maximum Permissible Capital Payment towards the Buyback being lower of;	
	The maximum permissible number of equity shares eligible for buyback in accordance with Section 68 (2) (c) of the Companies Act, 2013 (25% of total number of outstanding equity shares) (Nos.)	9.89
	The maximum permissible amount for buyback in accordance with Section 68 (2) (c) of the Companies Act, 2013 and regulations 4(i) of the Buyback Regulations (25% of the aggregate of total paid up capital and free reserves)#	₹ 781.79
	Amount approved by the Board of Directors at its meeting held on 6th August, 2024	₹ 702.00

Notes:

As per provisions of Section 68(2)(c) of the Companies Act, 2013, the maximum amount permissible for the buyback of equity shares of the Company is 25% or less of the aggregate of paid-up share capital and free reserves of the Company.

*As per Companies Act, 2013 Section 2(43) definition of "free reserves" means such reserves which, as per the last audited balance sheet of a company, are available for distribution as dividend, provided that -

- any amount representing unrealized gains, notional gains, or revaluation of assets, whether shown as a reserve or otherwise, or;
- any change in carrying amount of an asset or liability recognized in equity, including surplus in profit and loss account on measurement of the assets or the liability at fair value, shall not be treated as free reserves.

Note: The amounts of paid up equity capital and free reserves as at March 31, 2024 have been extracted from the annual audited standalone financial statements of the Company as at March 31, 2024 which was approved by the Board of Directors at the Board Meeting held on May 23, 2024.

For & On Behalf of the Board of directors
Arex Industries Limited

Signature
Name
Designation
DIN

Sd/-
Mr. Dinesh Apparao Bilgi
Managing Director cum CFO
00096099

Sd/-
Mr. Neel Dinesh Bilgi
Managing Director
00096180

Date: 06/08/2024
Place: Chhatral

UNQUOTE

24. DOCUMENTS FOR INSPECTION

The copies of the following documents referred to hereunder are available for inspection by Eligible Shareholders of the Company at the registered office at 612, GIDC Industrial Estate, Chhatral Tal. Kalol, Gandhinagar, Gujarat, India, 382729 between 10:30 a.m. and 5:00 p.m. on any Working Day and on the website of the Company (www.arex.in) during the Tendering Period:

- Copy of certificate of incorporation of the Company
- Copy of Memorandum and Articles of Association of the Company;

- c. Copy of the audited financial statements and annual reports of the Company for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022;
- d. Certified true copy of the resolution passed by the Board of Directors in relation to the Buyback at their meeting held on August 06, 2024.
- e. Certified true copy of the special resolution passed by the shareholders on September 04, 2024 in relation to the Buyback the results of which were declared on September 04, 2024;
- f. Copy of the Auditor's Report dated August 06, 2024 received from M/s. Sweta Patel & Associates, Chartered Accountants, in terms of clause (xi) of Schedule II of the Buyback Regulations;
- g. Public Announcement dated September 05, 2024 and published on September 06, 2024.
- h. Copy of Declaration of solvency and an affidavit as per Form SH-9 of the Share Capital Rule.
- i. Certificate dated August 05, 2024 issued by M/s. K P Shah & Associates, Chartered Accountants confirming that the Company has adequate funds for the purposes of the Buyback
- j. Copy of Escrow Agreement dated August 29, 2024 between the Company, Escrow Banker and Manager to Buyback Offer.

25. DETAILS OF THE COMPANY SECRETARY AND COMPLIANCE OFFICER

The details of the Company Secretary and Compliance Officer are provided below:

Kairavi Neel Bilgi

Arex Industries Limited

612, GIDC, Industrial Estate, Chhatral Tal. Kalol, Gandhinagar, Gujarat, - 382729

Phone: +91 2764 233437,

E-mail: mail@arex.in


Eligible Shareholders may contact the Company Secretary and Compliance Officer for any clarification or to address their grievances, if any, during office hours, being 10:30 a.m. to 5:00 p.m. on any Day, except Sunday and public holidays.

26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS

1. In case of any grievances relating to the Buyback (including non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach either of the Company Secretary & Compliance Officer, Manager to the Buyback, Registrar to the Buyback for redressal thereof
2. In the event the Company makes any default in compliance with the provisions of the Companies Act, 2013 or rules made thereunder as may be applicable to the Buyback, the Company or any officer of the Company who is in default shall be liable in terms of the Companies Act.
3. The address of the concerned office of the Registrar of Companies is as follows:
The Registrar of Companies
ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013, GUJARAT
E-mail Id: roc.ahmedabad@mca.gov.in

27. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

1. Eligible shareholders are required to send Tender Form along with the other requisite document(s), as mentioned in "Procedure for Tender Offer and Settlement" on page 28 along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback, so that the same are received not later Buyback Closing Date September 19, 2024 by 5:00 p.m. The envelope should be super scribed as "**Arex Industries Limited-Buyback 2024**".
2. The Company has appointed Link Intime India Private Limited as the Registrar to the Buyback & Investor Service Centre their contact details are set forth below:

	<p>Link Intime India Private Limited CIN: U67190MH1999PTC118368 SEBI REG. No.: INR000004058 Address: C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India Tel. No.: +91 8108114949; Fax: 22 4918 6060 Email: arex.buyback2024@linkintime.co.in, Website: www.linkintime.co.in Contact Person: Mr. Shanti Gopalkrishnan</p>
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In case of any query, the shareholders may contact the Registrar on any day except Saturday, Sunday and public holidays between 10.00 a.m. and 5.00 p.m.

THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

28. MANAGER TO THE BUY- BACK

	<p>INTERACTIVE FINANCIAL SERVICES LIMITED CIN: L65910GJ1994PLC023393 SEBI Registration No. INM000012856 Address: : Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad – 380 015, Gujarat, India Tel. No.: 91 079 4908 8019 / +91 98980 55647 E-mail: mbd@ifinservices.in; Website: www.ifinservices.in Contact Person: Mr. Pradip Sandhir</p>
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29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS LETTER OF OFFER

In terms of Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board accepts full and final responsibility for the information contained in this Letter of Offer and for the information contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued in relation to the Buyback, and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

This Letter of Offer is issued under the authority of the Board in terms of the resolution passed by the Board on September 04, 2024 and approved by the Buy-Back committee on September 09, 2024.

For and on behalf of the Board
AREX INDUSTRIES LIMITED

Sd/-
Mr. Dinesh Apparao Bilgi
(Managing Director) cum CFO
DIN: 00096099

Sd/-
Mr. Neel Dinesh Bilgi
(Managing Director)
DIN: 00096180

Sd/-
Mrs. Kairavi Neel Bilgi
(Company Secretary & Compliance Officer)

Date: September 09, 2024
Place: Chhatral

30. TENDER OFFER FORM

TENDER OFFER FORM

**TENDER FORM (FOR SHAREHOLDERS HOLDING EQUITY SHARES IN DEMATERIALISED FORM)
FORM OF ACCEPTANCE -CUM-ACKNOWLEDGEMENT**

Bid Number:

Date:

To,

Arex Industries Limited,
612, GIDC Industrial Estate, Chhatral Tal. Kalol, Gandhinagar,
Gujarat, India, 382729
C/o **Link Intime India Private Limited**
Tel. No.: +91 8108114949; Fax: 22 4918 6060
Email: arex.buyback2024@linkintime.co.in

Dear Sir/Madam,

Sub: Letter of Offer dated September 09, 2024 in relation to the Buyback of up to 3,60,000 Equity Shares of Arex Industries Limited (the “Company”) at a price of Rs. 195/- (Rupees One Hundred Ninety-five Only) per Equity Share (the “Buyback Price”) payable in cash (the “Buyback”)

- I/We, (having read and understood the Letter of Offer dated September 09, 2024) hereby tender/ offer my/ our Equity Shares in response to the Buyback in accordance with the terms and conditions set out below and in the Letter of Offer.
- I/ We authorize the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I/ We hereby affirm that the Equity Shares comprised in this tender/ offer offered for the Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for the Buyback.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender/ offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013, as amended and the rules made thereunder and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered would be returned to the Selling Member by the Clearing Corporation / Stock Exchange during settlement.
- I/ We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on Buyback of Equity shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on Buyback of Equity shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- This clause is applicable for Non-Resident Shareholders only: I/We, being a Non-Resident Shareholder/OCB’s, agree to obtain and submit all necessary approvals, if any, and to the extent required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, as amended (“FEMA”) and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India. I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of Equity shares by me / us.
- Details of Equity Shares held and tendered / offered in the Buyback:

BUYBACK OPENS ON :		September 12, 2024	
BUYBACK CLOSES ON:		September 19, 2024	
For Registrar Use/ Collection Centre use			
Inward No.	Date	Stamp	
<i>Status (please tick appropriate box)</i>			
<input type="checkbox"/>	Individual/HUF	<input type="checkbox"/>	FII
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	NRI/OCB
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/ FI
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP
<input type="checkbox"/>		<input type="checkbox"/>	Insurance Co.
<input type="checkbox"/>		<input type="checkbox"/>	FVCI
<input type="checkbox"/>		<input type="checkbox"/>	Pension/PF
<input type="checkbox"/>		<input type="checkbox"/>	Others (Specify)
India Tax Residency Status: Please tick appropriate box			
<input type="checkbox"/>	Resident In India	<input type="checkbox"/>	Non-Resident In India
<input type="checkbox"/>		<input type="checkbox"/>	Resident of _____ (Shareholder to fill the country of residence)
Route of Investment (For NR Shareholders only)			
<input type="checkbox"/>	Portfolio Investment Scheme	<input type="checkbox"/>	Foreign Investment Scheme

	In Figures	In Words
Number of Equity Shares held as on the Record Date i.e. September 07, 2024		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Shareholder may tender Equity Shares over and above his/her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with the Letter of Offer. Equity Shares tendered by any Shareholders over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

ACKNOWLEDGEMENT SLIP FOR AREX INDUSTRIES LIMITED– BUYBACK

(to be filled by the Eligible Shareholder) (subject to verification)

FolioNo./DPID: _____ ClientID: _____

Received from Mr./Ms./M/s.: _____

Form of Acceptance-cum-Acknowledgement, Original TRS along with

Number of Equity Shares offered for Buyback: (In Figures) : _____ (In words): _____

Stamp of Broker

Please quote Client ID and DP ID. For all future correspondence:

12. Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Arex Industries Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the SEBI Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.

13. **Details of account with Depository Participant:**

Name of the Depository (tick as applicable)	NSDL	CDSL
Name of the Depository Participant		
DP ID		
Client ID with Depository Participant		

14. **Equity Shareholders Details:**

Particulars	First/Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

15. Applicable for all Non-resident shareholders only.

- I/We undertake to pay income taxes in India (whether by deduction of tax at source or otherwise) on any income arising on such Buyback and taxable in accordance with prevailing income tax laws in India within the applicable time period for such payment. I/We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any, and to the extent required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended (“FEMA”) and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

1. The Buyback will open on September 12, 2024 and close on September 19, 2024.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. Shareholders who desire to tender their equity shares under the Buyback would have to do so through their respective Shareholder’s Broker by indicating the details of equity shares they intend to tender under the Buyback.
4. The Equity Shares tendered in the Offer shall be rejected if (i) the Eligible Shareholder is not a shareholder of the Company as on the Record date, (ii) if there is a name mismatch in the demat account of the Eligible Shareholder, (iii) in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation, (iv) a non-receipt of valid bid in the exchange bidding system.
5. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or in case of excess Equity Shares due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
6. Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
7. For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to the section entitled “Procedure for Tender Offer and Settlement” on page 28 of the Letter of Offer.
8. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
9. In case any registered entity has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form, shall file a copy of the following documents: (i) approval from the appropriate authority for such merger, (ii) the scheme of merger, and (iii) the requisite form filed with MCA intimating the merger.
10. The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.
11. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder’s PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later Buy- back Closing Date i.e. September 19, 2024 by 5.00 pm.
12. Eligible Sellers have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as “Buyback”, ISIN, Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered for Buyback Offer

All capitalized terms shall have the meanings ascribed to it in the Letter of Offer

Tear along this line

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK SHOULD BE ADDRESSED TO THE REGISTRAR AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Link Intime India Private Limited

C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083,
Maharashtra, India, Tel. No.: +91 8108114949; Fax: 22 4918 6060; E-mail:

arex.buyback2024@linkintime.co.in,

Website: www.linkintime.co.in, Contact Person: Mr. Shanti Gopalkrishnan

For Office Use Only

Checked by _ _____

Signature Talled by _____

Entered in the Register of Transfer on _____

_____vide Transfer no _____

Approval Date _____

Power of attorney / Probate / Death certificate / Letter of
Administration

Registered on _____at

No _ _____

TENDER FORM (FOR SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM)
FORM OF ACCEPTANCE -CUM-ACKNOWLEDGEMENT

Bid No.:
Date:
To,

Arex Industries Limited,
612, GIDC Industrial Estate, Chhatral Tal. Kalol,
Gandhinagar, Gujarat, India, 382729
C/o **Link Intime India Private Limited**
Tel. No.: +91-79-26465179; Fax: 79-26465179
Email: ahmedabad@linkintime.co.in

BUYBACK OPENS ON :		September 12, 2024	
BUYBACK CLOSES ON:		September 19, 2024	
For Registrar Use			
Inward No.	Date	Stamp	
<i>Status (please tick appropriate box)</i>			
<input type="checkbox"/>	Individual	<input type="checkbox"/>	FII
<input type="checkbox"/>	Foreign Co.	<input type="checkbox"/>	NRI/OCB
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank/ FI
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP
<input type="checkbox"/>	Insurance Co.		
<input type="checkbox"/>	FVCI		
<input type="checkbox"/>	Pension/PF		
<input type="checkbox"/>	Others (Specify) _____		
India Tax Residency Status: Please tick appropriate box			
<input type="checkbox"/>	Resident In India	<input type="checkbox"/>	Non-Resident In India
<input type="checkbox"/>	Resident of _____ (Shareholder to fill the country of residence)		
Route of Investment (For NR Shareholders only)			
<input type="checkbox"/>	Portfolio Investment Scheme	<input type="checkbox"/>	Foreign Investment Scheme

Dear Sirs,

Sub: Letter of Offer dated September 09, 2024 in relation to the Buyback of up to 3,60,000 Equity Shares of Arex Industries Limited (the “Company”) at a price of Rs. 195/- (Rupees One Hundred ninety-five Only) per Equity Share (the “Buyback Price”) payable in cash (the “Buyback”)

I/We, (having read and understood the Letter of Offer dated September 09, 2024) hereby tender/ offer my/ our Equity Shares in response to the Buyback in accordance with the terms and conditions set out below and in the Letter of Offer.

- I/ We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share certificates.
- I/ We hereby affirm that the Equity Shares comprised in this tender/ offer offered for the Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for the Buyback.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of Equity Share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per Stock Exchange mechanism.
- I / We undertake to return to the Company any consideration in respect of the Buyback that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender/ offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013, as amended and the rules made thereunder and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended.
- I / We authorize the Company to split the Equity Share certificates and issue a new consolidated Equity Share certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- I/ We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on the Buyback of Equity Shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on the Buyback of Equity Shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
- I/We, being a Non-Resident Shareholder/OCB’s, agree to obtain and submit all necessary approvals, if any, and to the extent required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, as amended (“**FEMA**”) and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India. I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any

income earned on such Buyback of Equity shares by me / us.

11. Details of Equity Shares held and tendered / offered in the Buyback:

	In Figures	In Words
Number of Equity Shares held as on the Record Date September 07, 2024		
Number of Equity Shares Entitled for Buyback (Buy-back Entitlement)		
Number of Equity Shares offered for Buyback		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Process and Methodology for the Buyback on page 24 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance. The signature on the Transfer deed (Form SH 4) should match with the signature recorded / registered with the records of the Company / Registrar.

.....Tear along this line

Acknowledgement Slip for Arex Industries Limited– Buyback
(to be filled by the Eligible Shareholder) (subject to verification)

Folio No. / DP ID : _____

ClientID: _____

Received from Mr./Ms./M/s.: _____

Tender Form

Number of Equity Shares offered for Buyback: _____

In Figures: _____ In words: _____

Please quote Client ID and DP ID. For all future correspondence: _____

Stamp of Broker

13. Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Arex Industries Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the SEBI Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.

14. Details of Share Certificate(s) enclosed:

Total of Share Certificates Submitted: _____

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
1.					
2.					
3.					
4.					
Total					

In case the number of folios and Equity Share certificates enclosed exceed four, please attach a separate sheet giving details in the same format as above

15. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney – Arex Industries Limited		Previous RBI approvals for acquiring the Equity Shares of Arex Industries Limited tendered in the Buyback
	Corporate authorizations		Death Certificate
	Succession Certificate		Self attested copy of Permanent Account Number (PAN Card)
	Others (please specify) : _____		

16. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

17. Equity Shareholders Details:

	First/Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

INSTRUCTIONS

- The Buyback will open on September 12, 2024 and close on September 19, 2024.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar (as mentioned in the Letter of Offer) on or before September 19, 2024, by 5 PM (i) The relevant Tender Form duly signed by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Transfer deed (Form SH 4) duly signed (by all Eligible Shareholders in case Equity Shares are held jointly) in the same order in which they hold the Equity Shares.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later than the Buy-back Closing Date i.e. September 19, 2024 by 5.00 pm.
- All documents sent by the seller member/ custodian will be at their own risk and the seller member/ custodian is advised to adequately safeguard their interests in this regard.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholder; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.

All capitalized terms shall have the meanings ascribed to it in the Letter of Offer.

..... Tear along this line

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK SHOULD BE ADDRESSED TO THE REGISTRAR AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NUMBER:

Link Intime India Private Limited
 C 101, 1st Floor, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083,
 Maharashtra, India; Tel: +91 8108114949; Fax: 22 4918 6060; E-mail:
 arex.buyback2024@linkintime.co.in,
 Website: www.linkintime.co.in Contact Person: Mr. Shanti Gopalkrishnan

FORM NO. SH-4 – SECURITIES TRANSFER FORM

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules, 2014]

Date of execution: _____

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:	L	9	9	9	9	9	G	J	1	9	8	9	P	L	C	0	1	2	2	1	3
------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full): **AREX INDUSTRIES LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)		Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
EQUITY		Rs. 10.00	Rs. 10.00	Rs. 10.00
No. of Securities being Transferred			Consideration received (Rs.)	
In figures	In words		In words	In figures
Distinctive Number	From			
	To			
Corresponding Certificate Nos.				

Registered Folio Number:	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I hereby confirm that the Transferor has signed before me.

Signature of Witness _____

Name & Address of Witness _____

Transferees’ Particulars

Name in full (1)	Father’s/ Mother’s / Spouse Name (2)	Address & E-mail id (3)
AREX INDUSTRIES LIMITED	NOT APPLICABLE	612, GIDC, Industrial Estate, Chhatral, Tal., Kalol, Gandhinagar, Gujarat, India, 382729 mail@arex.in
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
BUSINESS		

Folio No. of Transferee

Specimen Signature of Transferee(s) 1. _____

2. _____

3. _____

Value of Stamp affixed: Rs.....

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferee(s) (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only	STAMPS
Checked by	
Signature Talled by.....	
Entered in the Register of Transfer on..... vide Transfer no	
Approval Date	
Power of attorney / Probate / Death certificate / Letter of Administration	
Registered on at No.	

Declaration:

- Transferee is not required to obtain the Government approval under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 prior to transfer of shares; or
- Transferee is required to obtain the Government approval under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 prior to transfer of shares and the same has been obtained and is enclosed herewith.

On the reverse page of the

certificate Name of the

Transferor:

Name of the Transferee:

Number of Shares:

Date of Transfer:

Signature of the Authorized Signatory