

FINEOTEX CHEMICAL LIMITED

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Contact Person: Mr. Hemant Kisan Auli (Company Secretary & Compliance Officer)

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF FINEOTEX CHEMICAL LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.

This Public Announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 16(4)(b) of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 ("Buy-back Regulations") and contains the disclosures as specified in Schedule IV Read with Schedule I of the Buy-back Regulations.

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

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

- The Board of Directors of Company (hereinafter referred to as the "Board", which expression includes any committee duly constituted by the Board to exercise its powers, and / or the powers conferred by the Board resolution), at its meeting held on July 27, 2020 ("Board Meeting") has pursuant to the provisions of Articles of Association of the Company and Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013 ("Act") and applicable rules made there under and in compliance with the Buy-back Regulations, and subject to such other approvals, permissions and sanctions as may be necessary, approved the buy-back of fully paid up equity shares by the Company having face value of ₹ 2/- (Indian Rupees Two Only) each ("Equity Share") from open market through stock exchange mechanism as per the terms of the Buy-back Offer made to the equity shareholders/beneficial owners of the Equity Shares of the Company other than a number of persons holding shares in the name of the Company ("Promoter and Persons in Control") at a price not exceeding ₹ 40/- (Indian Rupees Forty Only) per Equity Share ("Maximum Buy-back Price") capable in cash for an aggregate amount not exceeding ₹ 4,00,000/- (Indian Rupees Four Crores and Forty Only Lakhs) excluding transaction costs vis-a-vis brokerage, advisor's fees, intermediaries fees, publication announcement fees, filing fees, turnover charges, applicable taxes such as securities transaction tax, goods and services tax, income tax, stamp duty and other incidental and related expenses ("Transaction Costs"). ("Maximum Buy-back Size") which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone financial statements and the audited consolidated financial statements respectively of the Company for the financial year ended on March 31, 2020 ("Buy-back").
- As the Maximum Buy-back Size is not more than 10% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company, the approval of shareholders of the Company is not required in terms of Section 68(2)(b) of the Act and the Regulation 5(1)(b) of the Buy-back Regulations.
- The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") during the Buy-back period and upon completion thereof.
- The Buy-back shall be implemented in the form of the Company's own equity shares from the open market through the stock exchange mechanism using the electronic trading facility provided by BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), stock exchanges where existing Equity Shares of the Company are presently listed ("BSE" and "NSE" collectively referred as "Stock Exchanges") and by using the order matching mechanism except "all or none" order matching system as provided under the Buy-back Regulations.
- The Company shall not purchase Equity Shares which are locked-in or non-transferable, in the Buy-back, until the pending of the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company on standalone and consolidated basis.
- A copy of this Public Announcement will be made available on the website of Company (www.finetex.com) and is expected to be made available on the website of SEBI (www.sebi.gov.in) as well as on the website of Stock Exchanges (www.bseindia.com and www.nseindia.com).

2. NECESSITY FOR THE BUY-BACK

The Buy Back is being undertaken by the Company to return surplus funds to the Eligible Shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, efficient and cost-effective manner. The Buy Back would increase the shareholders' value and would also help the Company to achieve the following objectives:

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

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

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

3.2. At the Maximum Buy-back size and the Maximum Buy-back Price, the indicative maximum number of Equity Shares to be bought back under the Buy-back would be 11,00,000 (Eleven Lakh) Equity Shares ("Maximum Buy-back Size") which represents 0.99% of the total number of Equity Shares of the Company. The Company shall sell the Equity Shares to its promoters and/or its promoters' associates at a price below the Maximum Buy-back Price ("Buy-back Price"). The actual number of Equity Shares to be bought back in the Buy-back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-back, subject to the Maximum Buy-back Size. Further, the number of Equity Shares to be bought back in the Buy-back will, in any case, exceed 25% of the total number of Equity Shares of the Company.

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

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

- The Maximum Buy-back Price is ₹ 40/- (Indian Rupees Forty Only) per Equity Share. The Maximum Buy-back Price has been arrived at after considering various factors, but not limited to, the volume weighted average market price of the Equity Shares of the Company on Stock Exchanges during 3 (three) months and 2 (two) weeks preceding the date of intimation (July 18, 2020) to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back ("Prior Intimation"), closer market price on the date of Prior Intimation and the potential impact on the net worth and earning per share of the Company.
- The Maximum Buy-back Price of ₹ 40 per Equity Share represents: (i) a premium of 36.79% and 34.41% over the volume weighted average market price of the Equity Share on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back, i.e. July 18, 2020; (ii) a premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back, i.e. July 18, 2020; and (iii) a premium of 39.62% and 39.66% over the closing market price of the Equity Shares as on the trading day prior to the date of the Board Meeting i.e. July 24, 2020, on BSE and NSE respectively. The closing market price of the Equity Shares as on the date of Board Meeting i.e. July 27, 2020, was ₹ 30.45 and ₹ 30.60 on BSE and NSE, respectively.

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

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

Sr. No.	Category	No. of Equity Shares	% of Equity Share Capital
1.	Promoter and Promoter Group		
1.1.	Surendra Tibrewala	68655830	61.68
1.2.	Konakata Tibrewala	3281700	2.95
1.3.	Sonjy Tibrewala	3213990	2.89
1.4.	Surendra Tibrewala HUF	345500	0.31
1.5.	Ritu Aditya Gupta	11000	0.01
1.6.	Nidhi Tibrewala	1000	0.00
1.7.	Mitesh Vinod Jhunjhunwala	1000	0.00
1.8.	Aarti Mitesh Jhunjhunwala	50	0.00
1.9.	Komai Chemicals Pvt. Ltd.	2954500	2.65
1.10.	Proton Biochem Pvt Ltd	1028300	0.92
Total		79493070	71.42

The directors of the corporate promoters: (i) Komai Chemicals Pvt. Ltd are - Mr. Surendra Tibrewala and Mrs. Konakata Tibrewala and (ii) Proton Biochem Pvt Ltd are - Ms. Sonjy Tibrewala, Mrs. Ritu Aditya Gupta.

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

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

- In accordance with Regulation 16(i) of the Buy-back Regulations, the Buy-back of Equity Shares shall not be made by the Company from the Promoter and Persons in Control.
- In accordance with the Regulation 24(1)(e) of the Buy-back Regulations, the Promoter and Persons in Control and/or their associates (as defined in the Buy-back Regulations) shall not deal in Equity Shares or other specified securities of the Company in Stock Exchanges or off-market, including inter-se transfer of Equity Shares among the Promoter and Persons in Control, during the period from the date of Board Meeting till the closing of the Buy-back offer period.

7. NOTICED

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

8. CONFIRMATION FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

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

8.2 The Company shall not issue or allot any other Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buy-back.

8.3 As per provisions of Section 68(3) of the Act, the Company shall not make further issue of the same kind of shares or other specified securities within a period of six months from the completion of the Buy-back even by a way of bonus issue or in discharge of subsidiary obligations such as conversion of warrants, stock options, etc. into the same kind of shares or in conversion of any other debts into Equity Shares;

8.4 The Company shall not buy back its Equity Shares from any person through regulated deal either on or off the Stock Exchanges or through spot transactions or through private arrangement in the implementation of the Buy-back;

8.5 Funds borrowed from banks and financial institutions, if any, will not be used for the Buy-back;

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

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

8.8 The ratio of aggregate of secured and unsecured debts owed by the Company shall not be more than twice the total paid-up Equity Share capital and free reserves of the Company;

8.9 The Company shall not buy back the locked-in Equity Shares or non-transferable Equity Shares, if any, till the pending of the lock-in or till the Equity Shares become transferable;

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

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

8.12 The Company shall not withdraw the Buy Back after the Public Announcement is made and published in the newspaper;

8.13 As per provisions of Regulation 24(1)(f) of the Buy-back Regulations read with SEBI circulars, SEBI/HO/CFD/CIR/2020/6 dated April 23, 2020, the Company shall not buy back for a period of six months from the expiry of the Buy-back period i.e. the date on which the last payment of consideration to the shareholders who have accepted the Buy Back is made in accordance with the Art and the Buy-back Regulations;

8.14 The Company shall not make any further offer for a period of one year from the date of the Buy-back offer period;

8.15 The Company shall comply with the control and regulatory time lines in respect of the Buy-back, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Art, the Buy-back Regulations and any other applicable laws;

8.16 The Company shall not buy back the Equity Shares unless such are dematerialized;

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

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

8.19 The Buy Back shall be conducted in accordance with the regulations framed by the Stock Exchanges, through the order matching mechanism "all or none" order matching system as provided under the Buy Back Regulations;

8.20 As per Regulation 16(i) of the Buy-back Regulations, the Buy Back of Equity Shares shall not be made from Promoters, members of the Promoter Group or persons in control of the Company. Further, as per Regulation 24(1)(e) of the Buy-back Regulations, neither the Promoters, members of the Promoter Group or persons in control of the Company nor their associates shall deal in the Equity Shares or other specific securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the Promoters and members of the Promoter Group and person acting in concert) from the date of Board meeting approving the Buy Back, till the completion of the Buy Back;

9. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

- The Board of Directors of the Company, has, at its Board Meeting i.e. July 27, 2020, confirmed that they have made full inquiry into the affairs and prospects of the Company and that they have formed an opinion:

- that the information contained in the notice of the date of the Board Meeting at which the Buy-back is approved, there will be no grounds on which the Company could be declared insolvent by the Court;
- that as regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to the Board's intentions with respect to the management of the Company during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and
- that in forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities);

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

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

Quote

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

To

The Board of Directors

FINEOTEX CHEMICAL LIMITED

42/43, Monamra Chambers, SV Road, Bandra (West), Mumbai 400050, Maharashtra, India

This Report is issued in accordance with the terms of our engagement letter dated July 27, 2020 with Fineotex Chemical Limited (hereinafter referred to as "the Company")

and in terms of the regulation passed by the directors of the Company in their meeting held on July 27, 2020, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the permissible capital payment (the "Statement"), which we have initiated for identification purposes only.

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all documents and reports relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

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

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

a. Whether the amount of capital payment for the buy back is within the permissible limit determined considering the audited standalone and consolidated financial statements for the year ended March 31, 2020, reported to us by our auditor.

b. Whether the Board of Directors has formed the opinion



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Contact Person : Mr. Hemant Kisan Auli (Company Secretary & Compliance Officer)

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF FINEOTEX CHEMICAL LIMITED ("THE COMPANY") FOR BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGE MECHANISM AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.

This Public Announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 16(iv)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buy-Back Regulations"), Regulation 2018 ("Buy-back Regulations") and contains the disclosures as specified in Schedule IV read with Schedule I of the Buy-Back Regulations.

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

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

1.1. The Board of Directors of Company (hereinafter referred to as the "Board"), which expression includes any committee duly constituted by the Board to exercise its powers, and / or the powers conferred by the Board resolution, at its meeting held on July 27, 2020 ("Board Meeting") has agreed to the provisions of Articles of Association of the Company and Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013 ("the Act") and applicable rules made under the same, including the rules made under the said Act, to propose to the shareholders of the Company to buy back its equity shares as may be necessary, approved by the buy-back of equity shares by the Company having a face value of ₹ 2/- (Indian Rupees Two Only) each ("Equity Shares") from the open market through stock exchange mechanism as prescribed under the Buy-Back Regulations from the equity shareholders/beneficial owners of the Equity Shares of the Company other than promoters, members of promoter group and persons acting in concert of the Company ("Promoter and Persons in Control") at a price not exceeding ₹ 40/- (Indian Rupees Four Crores Forty Only) excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement fees, filing fees, turnover charges, applicable taxes such as securities transaction tax, goods and services tax, income tax, stamp duty and other incidental and related expenses ("Transaction Costs"), ("Maximum Buy-back Size") which represents 2.99% and 2.60% of the total paid-up equity share capital and free reserves (including securities premium account) of the total paid-up equity share capital of the Company respectively.

1.2. As the Maximum Buy-back Size is not more than 10% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company, the approval of shareholders of the Company is not required in terms of Section 68(2)(b) of the Act and Regulation 5(1)(b) of the Buy-back Regulations.

1.3. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 15% of the total paid-up equity share capital of the Company as provided under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") during the Buy-Back period and upon completion thereof.

1.4. The Buy-back will be implemented by the Company from its free reserves (including securities premium account) and/or such other sources as permitted in accordance with Regulation 4(iv) and Regulation 4(v)(b)(ii) of the SEBI Buy-back Regulations and Regulation 4(iv), provisions to Regulation 4(iv) and the proviso to Regulation 5(2)(b) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended by the ("SEBI Buy-Back Regulations"). The amount of share capital and free reserves (including securities premium) has been extracted from the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2020.

1.5. The Company shall purchase Equity Shares which are locked-in or non-transferable, in the Buy-Back, until the pendence of the lock-in or until the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company on standalone and consolidated basis.

1.6. A copy of this Public Announcement will be made available on the website of the Company (www.fineotex.com) and is expected to be made available on the website of SEBI (www.sebi.gov.in) as well as on the website of Stock Exchanges (www.bseindia.com and www.mseindia.com).

2. NECESSITY FOR THE BUY-BACK

The Buy-Back will be implemented by the Company to return surplus funds to the Eligible Shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plan; in an expedient, efficient and cost-effective manner. The Buy Back would increase the shareholders' value and would also help the Company in fulfilling the following objectives:

i. optimize returns to shareholders;

ii. The Buy-Back is generally expected to improve return on equity through distribution of surplus fund and improve earnings per share by reduction in the equity base, thereby leading to long term increase in shareholder's value;

iii. The Buy-Back gives option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy Back offer, without additional investment.

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

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

3.2. At the Maximum Buy-back Size and the Maximum Buy-back Price, the indicative maximum number of Equity Shares to be bought back under the Buy-back would be 11,13,00,000 (Eleven Crores Fourty Lakhs Only) which represents 0.93% of the total number of Equity Shares of the Company. However, if the Equity Shares are bought back at a price below the Maximum Buy-back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-back Shares (assuming full deployment of the Maximum Buy-back Size). The actual number of Equity Shares to be bought back in the Buy-Back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-Back, subject to the Maximum Buy-back Size. Further, the number of Equity Shares to be bought back in the Buy-Back will not, in any case, exceed 25% of the total number of Equity Shares of the Company.

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

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

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

4.2. The Maximum Buy-back Price of ₹ 40/- Equity Share represents: (i) a premium of 36.78% and 36.41% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buy-back; (ii) a premium of 24.39% and 23.46% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-back; (iii) a premium of 39.62% and 39.86% over the closing market price of the Equity Shares on the trading day prior to the date of the Board Meeting i.e. July 24, 2020, on BSE and NSE respectively. The closing market price of the Equity Shares on the date of Board Meeting i.e. July 27, 2020, was Rs 30.45 and 30.60 on BSE and NSE, respectively.

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

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

Sr. No.	Category	No. of Equity Shares	% of Equity Share Capital
1.	Promoter and Promoter Group		
1.1.	Surendra Tibrewala	68655830	61.68
1.2.	Kankalata Tibrewala	3281700	2.95
1.3.	Sanjiv Tibrewala	3213990	2.89
1.4.	Surendra Tibrewala HUF	3455000	0.31
1.5.	Ritu Aditya Gupta	11000	0.01
1.6.	Nidhi Tibrewala	1000	0.00
1.7.	Mitesh Vinod Jhunjhunwala	1000	0.00
1.8.	Amitil Mitesh Jhunjhunwala	50	0.00
1.9.	Komal Chemicals Pvt. Ltd.	2954500	2.65
1.10.	Proton Biochem Pvt Ltd	1028500	0.92
	Total	79493070	71.42

The directors of the corporate promoters (i) Komal Chemicals Pvt. Ltd. are - Mr. Surendra Tibrewala and Mrs. Kankalata Tibrewala and (ii) Proton Biochem Pvt Ltd - Mr. Sanjiv Tibrewala, Mrs. Ritu Aditya Gupta.

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

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

6.1. In accordance with Regulation 14(i) of the Buy-back Regulations, the Buy-Back of Equity Shares shall not be made by the Company from the Promoter and Persons in Control.

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

7. NO DEFAULT

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

8. CONFIRMATIONS FROM THE COMPANY AS TO THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

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

8.2. The Company shall not issue any new Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares.

8.3. No provisions of Section 48(3) of the Act. The Company shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buy-Back except by a power of issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

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

8.5. Funds borrowed from banks and financial institutions, if any, will not be used for the Buy-Back.

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

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

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

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

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

8.11. The Company shall not pay any dividend on the date of the Board Meeting i.e. July 27, 2020.

8.12. The Company shall not resolve the delisting of the Company from the Stock Exchanges.

8.13. The Company shall not change its name or do any reorganization or restructure its business by way of merger or acquisition.

8.14. The Company shall not make any further offer of Buy-Back within a period of one year from the expiry of the Buy-Back period i.e. the date on which the last payment of consideration to shareholders who have accepted the Buy-Back offer is made except in discharge of its subsisting obligations;

8.15. The Company shall comply with the statutory and regulatory time lines in respect of the Buy-Back, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Buy-Back Regulations;

8.16. The Company shall not buy back the Equity Share unless such shares are held in dematerialized form;

8.17. The Buy-Back shall be carried out in the Stock Exchanges or off-market by it to the Stock Exchanges on a daily basis in accordance with the Buy-Back Regulations. The Company shall also update the information regarding the Equity Shares bought back by it on its website on a daily basis.

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

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

9. COMPLIANCE BY THE BOARD OF DIRECTORS OF THE COMPANY

9.1. The Board of Directors of the Company has, in its Board Meeting i.e. July 27, 2020, confirmed that they have made full enquiry into the affairs and prospects of the Company and that they have formed opinion:

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

b. that as regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

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

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

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

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

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

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

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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

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

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