



Navin Fluorine International Limited

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PUBLIC NOTICE

ISSUED IN TERMS OF REGULATION 5A (1) (b) OF SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS 1998

Navin Fluorine International Limited ("the Company") proposes to Buy Back its own fully paid-up equity shares of Rs.10/- each to the extent of up to 10% of the paid-up equity share capital and free reserves of the Company. In this behalf, disclosures as required under regulation 5A read with Schedule I attached to Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 ("Buy Back Regulations") are set out herein below.

- The Board of Directors of Navin Fluorine International Limited ("the Company") at its meeting held on September 24, 2010 approved the proposal for Buy Back of 3,38,792 fully paid-up equity shares of Rs.10/- each at a price of Rs.400/- per equity share for a total consideration of Rs.1355.17 lacs which forms 10% of the paid-up equity share capital and free reserves of the Company (hereinafter referred to as "the Buy Back"), through "Tender Offer" route pursuant to relevant provisions of Memorandum of Association and Article 22A of the Articles of Association of the Company and in accordance with Sections 77A, 77AA, 77B and all other applicable provisions of Companies Act, 1956 (hereinafter referred to as "the Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 ("the Regulations").
- The Buy Back is being proposed in keeping with the Company's desire to enhance overall shareholder value. The Company has accumulated free reserves and satisfactory liquidity. The Buy Back would lead to (a) reduction in outstanding number of equity shares and consequent increase in Earnings Per Share; (b) improvement in return on net worth and other financial ratios; (c) the company has large base of shareholders holding small number of equity shares. The Buy Back through tender offer route would also facilitate them to tender the shares and have an exit.
- The equity Shares of the Company are listed at Bombay Stock Exchange Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Ahmedabad Stock Exchange Limited (ASE). The Buy Back is proposed to be effected on a proportionate basis through the tender offer.
- The maximum amount that can be utilized under the Buy Back in terms of provision of Section 77A (2) of the Companies Act 1956 is 10% of the paid-up equity share capital and free reserves, which as per audited balance sheet as on March 31, 2010 works out to Rs. 1355.17 lacs. The amount for Buy Back will be financed from the internal accruals of the Company.
- The maximum Buy Back price of Rs.400/- per equity share has been approved by the Board of Directors in the Board Meeting held on September 24, 2010 after considering certain parameters such as the book value of equity shares, earnings trend in the recent past, the future outlook of the industry/company and other relevant factors. The maximum Buy Back price offers premium of 36% and 35.89% over the closing prices dated September 23, 2010 on BSE & NSE respectively. The maximum Buy Back price as proposed above will not impair the growth of the Company and also contribute to the overall enhancement of the shareholder value.
- At the maximum Buy Back price of Rs.400/- per equity share the Company can Buy Back 3,38,792 fully paid up equity shares of face value of Rs.10/- each.
- The aggregate shareholding of the Promoter, Persons who are in control of the Company and Promoter Group (collectively referred to hereinafter as "the Promoters") as on September 24, 2010 i.e. Board Meeting date, is 37,58,790 equity shares of Rs.10/- each out of total 1,00,99,889 equity shares of Rs.10/- each i.e. 37.22% of the existing equity share capital of the Company. Assuming response to the Buy Back to the fullest extent, the aggregate shareholding of the Promoters, post Buy Back will increase to 38.50% of the post Buy Back equity share capital of the Company.
- The Promoters of the Company do not intend to offer any equity shares under the Buy Back.
- The Company confirms 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.
- The Debt-Equity Ratio of the Company after the Buy Back will be well within the limit of 2:1 as prescribed under the Act.
- The Board of Directors confirms:
That it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion-
i. That immediately following the date on which the meeting of Board of Directors is convened, there will be no grounds on which the Company could be found unable to pay its debts;
ii. As regards its prospects for the year immediately following that date, that having regard to their 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 their view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and/
iii. That in forming their opinion for the above purposes, the directors have taken into account the liabilities as if the Company were being wound up under the provision of the Companies Act, 1956 (including prospective and contingent liabilities).
- The text of the Report dated September 24, 2010 received from M/s. Deloitte Haskins & Sells, Chartered Accountants and the Statutory Auditors of the Company, addressed to the Board of Directors is reproduced below:
1. In connection with the proposal of the Company to Buy Back its shares and in pursuance of the provisions of section 77A and 77B of the Companies Act 1956 and the Securities & Exchange Board of India (Buy Back of Securities) Regulations 1998 and subsequent amendments thereto, we have examined the Audited Financial Statements of the Company for the year ended 31st March, 2010 as approved by the Board of Directors of the Company at their meeting held on 28th April, 2010 & inquired into the state of affairs of the Company in relation to the aforesaid Statements.
2. We have also examined the relevant records and according to the information and explanations given to us and on the basis of such verification of records as we considered appropriate we report that:
i. In our opinion the amount of maximum permissible capital payment being Rs.1355.17 lacs which is 10% of the total Paid up Capital and Free Reserves of the Company for the equity shares to be bought back is properly determined in accordance with Proviso to sec. 77A(2) (b) of the Companies Act, 1956.
ii. The above calculations / workings of the limits and the proposed Buy Back of equity shares of the Company is in terms of the Companies Act, 1956 and subsequent amendments thereto and / or any other rules and regulations prescribed and in force for the time being. The Board of Directors in their meeting held on September 24, 2010 have formed their opinion, as specified in clause (x) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of 1 year from that date.
iii. We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in the Declaration of Solvency is unreasonable.
- The Buy Back is expected to be completed within the statutory validity period of the resolution dated September 24, 2010 passed by the Board of Directors which at present is twelve months from the date of passing of the said resolution or within such shorter period as may be determined by the Board of Directors.
- The Board of Directors of the Company accepts responsibility for the information contained in this notice.

By the order of the Board of Directors
For Navin Fluorine International Limited

Sd/-

H. A. MAFATLAL
Chairman

Place: Mumbai
Date: September 24, 2010



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The ethics of excellence