# FCL FINEOTEX CHEMICAL LIMITED

Date: November 16, 2016

**BSE Limited**
PheerozeJeejeebhoy Towers,
Dalal Street, Fort
Mumbai-400 001

**National Stock Exchange Limited**
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E)
Mumbai – 400 051

**Securities and Exchange Board of India**
Corporation Finance Department,
Division of Corporate Restructuring,
Plot No.C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sirs/Madam,

**Sub: Filing of Board Resolution for Buyback of Equity Shares of Fineotex Chemicals Limited pursuant to the provisions of Regulation 5A of SEBI (Buy Back of Securities) Regulations, 1998, as amended ("Buyback Regulations")**

Ref: Scrip Code 533333 / Symbol-FCL

With reference to the captioned matter, please find enclosed herewith the Certified true copy of the Board Resolution passed by the Board of Directors of Fineotex Chemicals Limited, at its meeting held on November 14, 2016 for the proposed Buyback not exceeding 9,98,110 (Nine Lakh Ninety Eight Thousand One Hundred and Ten Only) Equity Shares (representing up to about 0.89 % of the total number of Equity Shares of the Company) at a price of40/- (Rupees Forty only) (including premium of Rs. 38/- per Equity Share) per Equity Share ("Buyback Price"), payable in cash for an aggregate amount of up to Rs. 3,99,24,400 /- (Rupees Three Crore Ninety Nine Lakhs Twenty Four Thousand and Four Hundred Only) ("Buyback Size") excluding costs such as brokerage, securities transaction tax, service tax, stamp duty, etc., which represents 4.78% of the fully paid-up equity share capital and free reserves (including securities premium account) as per latest audited balance sheet of the Company for the financial year ended March 31, 2016 on standalone basis from the open market through stock exchange as prescribed under the Buyback Regulations from all the equity shareholders/beneficial owners of the Company.

In terms of Regulation 5 A of the SEBI (Buyback of Securities) Regulations, 1998, please find enclosed a copy of the Board Resolution approving the Buyback of Equity Shares.

Kindly receive the same in order and take the same on records. Thanking you,

Yours faithfully,
For **FINEOTEX CHEMICAL LIMITED**

R. D'Silva

**Raina D'Silva**
**Company Secretary**
Email id: raina@fineotex.com
Contact No.: +91-22- 26559174-77
Encl: As above.

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**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF FINEOTEX CHEMICAL LIMITED AT THE MEETING HELD ON 14th NOVEMBER, 2016**

"RESOLVED THAT in accordance with the provisions contained in Article 9A of the Articles of Association of the Company, Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable and the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (Buy-back Regulations) (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein referred to as the Board which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Board of Directors of the Company be and is hereby accorded to purchase the Company's own fully paid equity shares of Rs. 2/- each for an amount not exceeding Rs. 3,99,24,400, being 4.78% of paid up share capital and free reserves as on March 31, 2016 (being the date of the last audited financial statements of the Company) on standalone basis for a price not exceeding Rs. 40/- (Rupees Forty only) per equity share (hereinafter referred to as "Buy-back"). The Maximum buyback size and maximum Buy Back price does not include brokerage costs, Securities and Exchange Board of India ("SEBI") turnover charges, taxes such as securities transaction tax, service tax and relevant stamp duty (collectively referred as "Transaction Costs")

**RESOLVED FURTHER THAT** that the Company proposes to buy-back equity shares for a minimum of Rs. 1,99,62,200 (Rupees One Crore Ninety Nine Lakhs Sixty Two Thousand and Two Hundred Only) being 50% of the Maximum Buy-back Size ("Minimum Buy-back Size") and Buy-back shall not exceed Rs. 3,99,24,400 (Rupees Three Crores Ninety Nine Lakhs Twenty Four Thousand and Four Hundred Only) (excluding brokerage, transactional charges and taxes, if any), representing 4.78% of the aggregate of the total paid-up equity capital and free reserves of the Company as on March 31, 2016 (being the date of the last audited financial statements of the Company) which is within the maximum amount allowed under the Act.

**RESOLVED FURTHER THAT** the Company implements the Buy-back from current surplus and/or cash balances and/or internal accruals and that the Buy-back shall be from the open market through Stock Exchange methodology in such manner as may be prescribed under the Act and the Buy-back Regulations.

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**Fax** : (+91-22) 2655 9178 **E-mail** : info@fineotex.com **Website** : www.fineotex.com CIN - L24100MH2004PLC144295

**RESOLVED FURTHER THAT** the Board in its absolute discretion may decide to close the Buy-back at any time provided that at least fifty percent of the amount earmarked for Buy-back is utilized for buying back the equity shares, by giving appropriate notice of such earlier date and completing all formalities in this regard as per relevant laws and regulations.

**RESOLVED FURTHER THAT** the Buyback shall be completed within 6 (six) months from the date of opening of the Buyback.

**RESOLVED FURTHER THAT** the Board has confirmed that it has made fully enquiry into the affairs and prospects of the Company and has opined that:

a) that immediately following the date on which the General Meeting or themeeting of the Board of Directors is convened there will be no grounds on which the company could be found unable to pay its debts.

b) That as regards the Company's prospects for the year immediately following the date of this 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 this Board Meeting.

c) In forming its opinion aforesaid, the Board has taken into account the Liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (to the extent not repealed), Companies Act, 2013 (to the extent notified) (including prospective and contingent liabilities).

**RESOLVED FURTHER THAT** the Board in its absolute discretion may decide to close the Buyback of shares at an earlier date in the event the Minimum Offer Shares before the aforesaid period of six months or when the Company completes the Buy-back to the extent of Maximum Buy-back Size, whichever is earlier, by giving appropriate notice of such earlier date and completing all formalities in this regard as per relevant laws and regulations.

**RESOLVED FURTHER THAT** the draft of Public Announcement for the Buy-back of equity shares of the Company placed before the Board be and is hereby approved and Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala, Wholetime Director be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient or proper to modify and release the Public Announcement.

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**RESOLVED FURTHER THAT** Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala, Wholetime Director be and are hereby authorised to sign the Public Announcement.

**RESOLVED FURTHER THAT** Ms. Raina D'Silva, Company Secretary, be and is hereby appointed as the Compliance Officer for the Buy-back.

**RESOLVED FURTHER THAT** consent of the Board of Directors of the Company be and is hereby accorded for appointment of Hem Securities Ltd as the Manager to the Buy-back Offer.

**RESOLVED FURTHER THAT** Hem Securities Limited, be and are hereby appointed as Broker to the proposed Buy-back Offer.

**RESOLVED FURTHER THAT** as required under the provisions of Section 68(6) of the Companies Act, 2013 and Regulation 8(7) of the Buy-back Regulations read with Schedule I annexed thereto, the Declaration of Solvency along with Annexures thereof be and is hereby approved and that any Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala, Wholetime Director be and are hereby authorised to sign the same on behalf of the Board.

**RESOLVED FURTHER THAT** Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala, Wholetime Director be and are hereby jointly and/or severally authorised to sign the Public Announcement.

**RESOLVED FURTHER THAT** nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buy-back any shares, and or impair any power of the Company or the Board to terminate any process in relation to such buy-back if so permissible by law.

**RESOLVED FURTHER THAT** the Buy-Back of shares from Non-Resident Shareholders, Overseas Corporate Bodies, Shareholders of foreign nationality etc. shall be subject to such approval of the Reserve bank of India, if any, as may be required under the Foreign Exchange Management Act, 1999

**RESOLVED FURTHER THAT** the Company do open a Depository Account styled "FineotexChemical Limited" with Hem Securities Limited.

**RESOLVED FURTHER THAT** Mr. Surendrakumar Tibrewala, Chairman and Managing Director is hereby authorized to, nominate Bigshare Services Private Limited as Investor Service Center in terms of sub regulation 3 of regulation 19 of Chapter V of the Buy-back Regulations.

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**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded to enter into ESCROW agreement with Indusind Bank Limited and Hem Securities Limited as required under Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended.

**RESOLVED FURTHER THAT** Hem Securities Limited is authorized to operate the Escrow Account and realize the amount deposited in Escrow Account, in the event of Non-compliance with Regulation 14(3) of the SEBI (Buyback of Securities) Regulations, 1998, as amended.

**RESOLVED FURTHER THAT** the Common Seal of the Company be affixed, if required, to such deeds, documents or writings in the presence of Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala, Wholetime Director

**RESOLVED FURTHER THAT** Mr. Surendrakumar Tibrewala, Chairman and Managing Director and Mr. Sanjay Tibrewala Wholetime Director be hereby jointly and/ or severally authorised to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back, including:

1. The appointment of Merchant Bankers, Broker, Registrar, Advertising Agency, Compliance Officer and other Advisors, Consultants or Representatives;

2. Initiating of all necessary actions for preparation and issue of Public Announcement;

3. The filing of Public Announcement and also the Certificates for Declaration of Solvency with SEBI/ Stock exchanges/ ROC and other appropriate authorities and filing of Certificate of extinguishment of shares and physical destruction of share certificates and all other documents required to be filed in connection with the Buy-back with the appropriate authorities;

4. The making of all applications to the appropriate authorities for their requisite approvals;

5. To approve, execute and file or issue all necessary applications, intimations, disclosures, announcements, documents, declaration, undertakings, forms and reports with the appropriate authorities or any third parties as may be relevant including but not limited to the declaration of solvency certificate, compliance certificate, certificate of extinguishment and physical destruction of share certificates.

6. To create and maintain requisite statutory registers and records and to furnish requisite returns to appropriate authorities

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7. The opening, operation and closure of all necessary Accounts such as Broking Account, Depository Account, Escrow Account;

8. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back;

9. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper and

10. To delegate all or any of the authorities conferred as above to any Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate Authorities or Advisors.

**RESOLVED FURTHER THAT** a copy of the foregoing resolution certified by the Company Secretary be forwarded to concerned persons/authority and they be requested to act thereon".

**RESOLVED FURTHER THAT** the Board of Directors confirm with reference to the buyback process:

1. That the Company shall not purchase shares under the Buy-back from its promoters, promoter group, persons in control and persons acting in concert.

2. That the Company shall not raise further capital for a period of one year from the closure of Buy-back offer, except in discharge of its subsisting obligations.

3. That the Company shall not Buy-back its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement.

4. That there are no defaults subsisting in the repayment of Deposits; redemption of debentures or preference shares; or repayment of term loans to any financial institutions or banks.

5. It will continue to comply with sections 92, 123, 127 and 129 of the Companies Act, 2013.

6. all Equity Shares of the Company are fully paid up;

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7. that the aggregate amount of the Buyback i.e. Rs. 3,99,24,400/- (Rupees Three Crores Ninety Nine Lakhs Twenty Four Thousand Four Hundred only), does not exceed 10% of the total paid- up capital and free reserves as per the audited balance sheet as on March 31, 2016;

8. that the number of Shares proposed to be purchased under the Buyback i.e. 9,98,110 Equity Shares, does not exceed 25% of the total number of Shares in the paid-up Equity Capital as per the audited balance sheet as on March 31, 2016;

9. that the debt equity ratio of the Company after the buyback will be well within the limit of 2:1 as prescribed under the Act.

10. that the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies.

11. that the Company shall not make any offer of buy-back within a period of one year reckoned from the date of closure of the Buy-Back.

12. that there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act outstanding as on date.

13. complying with the statutory and regulatory timelines in respect of the buyback, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act and / or the Regulations and any other applicable Laws.

14. The Company will not withdraw the offer to Buy-back after the Public Announcement of the offer is made and published in the newspapers;

15. The company will not Buy-back Equity Shares which are locked-in or non-transferable, until the pendency of the the lock-in, or until the Equity Shares become transferable, as applicable;

16. The maximum number of Equity Shares than can be bought back will be in accordance with Regulation 38 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and regulation 14(3) of the Buy-back Regulations; and

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**Adoption of Declaration of Solvency**

**RESOLVED THAT** in terms of Section 68(6) of the Companies Act, 2013 read with Regulation 8(7) of the SEBI (Buyback of Securities) Regulations, 1998, as amended, the Board hereby adopts the Statement of Assets and Liabilities in the prescribed Form as at March 31, 2016 as per draft placed before the Board and authorizes Mr Surendrakumar Tibrewala, Managing Director and Mr. Sanjay Tibrewala, Wholetime Director to sign the same.

**RESOLVED FURTHER THAT** as required under the provisions of Section 68(6) of the Companies Act, 2013 and Regulation 8(7) of the SEBI (Buyback of Securities) Regulations, 1998, as amended, the Declaration of Solvency along with Annexures thereof be and is hereby approved for filing with the Registrar of Companies, Mumbai, Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited after having it verified by an affidavit and that Mr. Surendrakumar Tibrewala, Managing Director and Mr. Sanjay Tibrewala, Wholetime Director be and are hereby authorized to sign the same on behalf of the Board."

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any or more Directors or any other Officer or Officers of the Company.

For **FINEOTEX CHEMICALS LIMITED**

R. D'Silva

**RAINA D'SILVA**
**COMPANY SECRETARY**

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