



MAHALAXMI RUBTECH LIMITED

CIN: L25190GJ1991PLC016327

Reg. Office: 47, New Cloth Market, O/s. Raipur Gate, Ahmedabad – 380 002

Corp. Office: YSL Avenue, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 15.

Tel: 079 – 40008000 / Fax: 079 – 40008030 / E-Mail: cs@mahalaxmigroup.net / Website: www.mrtglobal.com

NOTICE OF POSTAL BALLOT

[Notice pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given pursuant to Section 108 and Section 110 of the Companies Act, 2013 (“Act”) and other applicable provisions of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended (including any statutory modification or re-enactment thereof) read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No.17/2020 dated 13th April, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020 and General Circular No. 10/2021 dated 23rd June, 2021 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as “**MCA Circulars**”) that the Resolutions as set out hereunder are proposed to be passed by voting by postal ballot and the Company accordingly seeks assent or dissent of the members through remote e-voting.

In view of the current extraordinary circumstances due to the pandemic caused by COVID-19 requiring social distancing, Ministry of Corporate Affairs, through MCA Circulars, mandated the companies to take decisions of urgent nature through postal ballot and has allowed the companies to send notice only by e-mail to its shareholders who have registered their e-mail address with the company or depository participant/ Registrar & Transfer Agents (RTA). Accordingly, this notice is being sent only by e-mail to the members of the Company who have registered their e-mail address with the Company or depository participant/ Registrar & Transfer Agents (RTA) as on the cut-off date (please refer to the Notes to the Notice). In view of enabling provisions of the MCA Circulars, hard copy of this notice, postal ballot form and postage pre-paid reply envelope are not sent to the members and the members are requested to convey their assent or dissent only through remote e-voting. The remote e-voting facility is available at <https://instavote.linkintime.co.in/> being the e-voting platform of Link Intime India Private Limited (LI IPL). If your e-mail address is not so registered, you are requested to follow the process specified in the notes below to receive login ID/password for remote e-voting.

The Explanatory Statement setting out the material facts is annexed to this Notice as required under Sections 102 and 110 of the Act. The Board of directors of the Company has appointed Mr. Bunt Hudda, Proprietor of M/s. Bunt Hudda & Associates, (Membership No.: A31507 and CP No.: 11560), as Scrutinizer to conduct the remote e-voting process in a fair and transparent manner.

The remote e-voting shall commence on **Tuesday, July 13, 2021** at 9.00 a.m. (IST) and end on **Wednesday, August 11, 2021** at 5.00 p.m. (IST) and the voting shall not be allowed beyond the said date and time.



SPECIAL BUSINESS

APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of **Article 15** of the Articles of Association of the Company and in accordance with the provisions of sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the “**Act**”) and, provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended, (the “**SEBI Buyback Regulations**”) and any statutory modification(s) or re-enactment of the Act or Rules framed there under from time to time or SEBI Buyback Regulations, for the time being in force) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“**SEBI**”) and / or other authorities, institutions or bodies (the “**Appropriate Authorities**”), as may be necessary and conditions and modifications 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 (hereinafter referred to as the “**Board**” which expression shall be deemed to include the “**Buyback Committee**” which the Board has authorized to exercise its powers, including the powers conferred by this resolution), the consent be and is hereby accorded to purchase by way of buyback offer up to **27,00,000 (Twenty Seven Lacs Only)** fully paid-up Equity Shares of Rs. 10/- each of the Company constituting **20.27%** of the fully paid-up Equity Share capital of the Company at a price of Rs. **70 (Seventy)** per Equity share payable in cash for an aggregate amount of upto Rs. **18,90,00,000 (Rupees Eighteen Crores Ninety Lacs only)** (“**Buyback Size**”) being **20.10%** and **20.15%** of the fully paid-up Equity Share capital and free reserves as per the latest available audited financial statements of the Company for the financial year ended March 31, 2021, on standalone and consolidated basis, respectively, through the Tender Offer mechanism (hereinafter referred to as the “**Buyback**”);

RESOLVED FURTHER THAT the Buyback Size does not include any expenses incurred or to be incurred for the Buyback viz. brokerage, applicable taxes such as Income Tax, securities transaction tax, GST, stamp duty, any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors/ legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (collectively “**Transaction Costs**”)

RESOLVED FURTHER THAT as required by Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing shareholders on a proportionate basis, provided 15% of the number of Shares which the Company proposes to buyback or number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as defined in the SEBI Buyback Regulations;

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD /DCR2 /CIR /P /2016 /131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and the Company shall approach the stock exchanges, as may be required, for facilitating the same;

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders **including** Promoters, Promoters Group and Persons Acting in concert (such



shareholders herein after collectively as “**Persons in Control**”) and that persons in control will be such persons as have been disclosed as such under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”)/ Shareholding patterns filed with the stock exchanges from time to time, as the Board may consider appropriate, from out of its free reserves and/or Share Premium Account and/or cash/ bank and/or cash equivalents/bank balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and 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 Buyback Offer

RESOLVED FURTHER THAT the Buyback is subject to:

- a) not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Regulation 38 of the LODR Regulations read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 i.e. maintaining the minimum public shareholding at 25%;
- b) aggregate amount of the Buyback i.e .Rs. **18,90,00,000** (Rupees Eighteen Crores Ninety Lacs only) does not exceed 25% of the total paid-up capital and free reserves as per the audited standalone and consolidated balance sheets as on March 31, 2021;
- c) number of Shares proposed to be purchased under the Buyback i.e. **27,00,000** (Twenty Seven Lacs Only) 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, 2021; and
- d) Compliance 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.

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in Equity Shares, if any and non-transferable Equity Shares, if any till the pendency of the lock-in or till the Equity Shares become transferable;

RESOLVED FURTHER THAT the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors/Foreign Portfolio Investors, Non-Resident Indians, shareholders of foreign nationality, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India (“**RBI**”) under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders;

RESOLVED FURTHER THAT as per the provisions of section 68(8) of the Act, the Company will not issue fresh Equity Shares within a period of six months after the completion of the buyback except by way of bonus Shares or Shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of Preference Shares or debentures into Equity Shares;



RESOLVED FURTHER THAT as per the provisions of regulation 24(i)(b) of SEBI Buyback Regulations, the Company shall not issue any Equity Shares or other specified securities including by way of bonus till the date of expiry of buyback period for the Buyback Offer;

RESOLVED FURTHER THAT as per the provisions of regulation 24(i)(d) of SEBI Buyback Regulations, the Company shall not withdraw the Buyback Offer after the draft letter of offer is filed with SEBI;

RESOLVED FURTHER THAT as per the provisions of regulation 24 (i)(f) of SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations;

RESOLVED FURTHER THAT the powers of the Board in respect of buyback be and is hereby delegated to the Buyback Committee ('BBC') comprising of Mr. Anand Parekh and Mr. Rahul Parekh and Mr. Balveermal Veermal Singhvi ("**Members of the Committee**"). The BBC be and hereby authorized to take all necessary actions for executing the actions relating to the Buyback as above;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, including but not limited to finalizing the terms of buyback like the aggregate amount to be utilized for the buyback including the price and the number of Shares to be bought back within the statutory limits, the mechanism for the buyback, the timeframe for completion of the buyback, escrow arrangements, opening bank accounts for this purpose and authorizing persons to operate the said account, appointment of, brokers, escrow agents, printers, registrars, solicitors, depository participants, scrutinizer and such other intermediaries/agencies for the implementation of the Buyback and carry out incidental documentation and to prepare applications and submit to the Appropriate Authorities for their requisite approvals as also to initiate all necessary actions for the preparation and issue of various documents including public announcement, draft and final letter of offer, declaration of solvency, extinguishment of Shares and certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Board;

RESOLVED FURTHER THAT Mr. Kevin Dhruve, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback;

RESOLVED FURTHER THAT all the Directors be and are hereby severally authorized to send the necessary intimations to the Stock Exchange in regard to this resolution, as may be required under the LODR Regulations”

RESOLVED FURTHER THAT all the Directors be and are hereby severally authorised to give intimation to the Registrar of Companies and any other statutory authorities and do all acts as may deem fit in regard to this resolution.

By Order of the Board of Directors,
For Mahalaxmi Rubtech Limited

Sd/-
Kevin Dhruve
Company Secretary



Membership No. ACS 60857

Date: July 9, 2021

Place: Ahmedabad

NOTES:

- I. An Explanatory Statement pursuant to Section 102 (1) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder setting out material facts and reasons concerning the above proposed resolution(s) is annexed hereto.
- II. The Notice is being sent to all the members whose names appear in the Register of Members on **Friday, July 9, 2021** i.e. 'the cut-off date'. Accordingly, the members whose names appear in the Register of Members, has been considered for the purpose of voting. The voting rights of the members shall be in proportion to their equity shares held in the total paid up equity share capital of the Company as on the cut-off date i.e. **Friday, July 9, 2021**.
- III. Pursuant to the provisions of Section 108 of the Act, Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), Electronic Voting ("e-voting") facility is provided to all the eligible members of the Company. The facility of casting the vote by the members using e-voting system will be provided by Link Intime India Private Limited ("LIPL"), Electronic Voting Service Provider ("EVSP") of the Company having its office at 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006, e-mail: ahmedabad@linkintime.co.in, through its 'instavote' platform at the link: <https://www.instavote.linkintime.co.in> Please note that a member who is entitled to vote, can exercise his/her/its vote only through e-voting. The members are requested to carefully read the instructions given below before casting their vote electronically.
- IV. The Portal for e-voting will remain open for the Members for exercising their voting from 09:00 a.m. on Tuesday, July 13, 2021 at 9.00 a.m. (IST) and end on Wednesday, August 11, 2021 at 5.00 p.m. (IST), both days inclusive. Please note that e-voting will be disabled by the EVSP after the said date and time. During this period, the Members of the Company holding equity shares either in physical form or dematerialized form, as on the cut-off date, may cast their vote electronically. Once the vote on a resolution is cast by a member, he/she will not be able to change it subsequently or cast the vote again.
- V. The Members who have not registered their e-mail addresses either with the Company, RTA of the Company or their Depository Participant (DP) are requested to register the same with the RTA in accordance with the process specified herein below at point no. XII for generating User ID, to enable them to cast their votes on the Resolutions set out in this Postal Ballot Notice. The Members can also register/ update their e-mail address with the Company by sending an e-mail to cs@mahalaxmigroup.net.
- VI. A copy of the Postal Ballot Notice is available on the website of the Company - www.mrtglobal.com; Link Intime India Private Limited - EVSP to the event - <https://instavote.linkintime.co.in> and on the website of BSE Limited - www.bseindia.com ("the Stock Exchange") on which the Equity Shares of the Company are listed.
- VII. Procedure for registration of e-mail address by the Members of the Company:**



- (a) In case the shareholder holding shares in physical mode has not registered his/ her e-mail address with the Company/ LI IPL/ Depositories, he/she may do so by sending a duly signed request letter to LI IPL by providing Folio No. and Name of shareholder at (UNIT: Mahalaxmi Rubtech Limited), 506-508, Amarnath Business Centre-1, (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006, e-mail: ahmedabad@linkintime.co.in;
- (b) In the case of shares held in demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the demat account as per the process followed and advised by the DP and provide the Company updated client master or consolidated account statement.
- VIII. In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact:
- (i) Mr. Rajiv Ranjan, Asst. Vice President, Link Intime India Private Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Mumbai City, Maharashtra-400083 IN, Email: insta.vote@linkintime.co.in Tel: 022-4918 6000;
- IX. There will be one vote for every Client ID / registered folio number irrespective of the number of joint holders.
- X. Based on the Scrutinizer's Report, the Results of remote e-voting will be declared on Friday, August 13, 2021. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the website of Company www.mrtglobal.com under the section 'Investor Relations' and will also be forwarded to the BSE Limited, where the Company's shares is listed.
- XI. The above notes form an integral part of this postal ballot notice.
- XII. The Resolution(s), if passed by requisite majority, will be deemed to be passed on the last date specified for remote e-voting i.e. Wednesday, August 11, 2021, which shall be deemed to have been passed through postal ballot process. The procedure with respect to remote e-voting is provided below :-

Procedure / Instructions for Members to cast votes for Postal Ballot through e-voting

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:



<u>Type of shareholders</u>	<u>Login Method</u>
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none">• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none">• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none">• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



<p>Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.</p>	<ol style="list-style-type: none">1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in<ul style="list-style-type: none">▶ Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -<ol style="list-style-type: none">A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.<ul style="list-style-type: none">• Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).▶ Click “confirm” (Your password is now generated).2. Click on ‘Login’ under ‘SHARE HOLDER’ tab.3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.5. E-voting page will appear.6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
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Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".



Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.



**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013
Annexed to the Notice dated July 9, 2021**

Item No. 1

With an objective of rewarding the equity shareholders, through return of surplus cash, the Board at its meeting held on 09th July, 2021 has approved the proposal of recommending buyback of equity shares as contained in the resolution in the Notice. As per the requirements of Section 102 of the Act and other applicable provisions of the Companies Act and Buyback Regulations, the Explanatory Statement contains relevant and material information to enable the equity shareholders to consider and approve the special resolution on the Buyback.

Requisite details relating to the Buyback are given below:

(a) RATIONALE OF BUYBACK:

Share buyback is the acquisition by a company of its own shares. The objective of the Buyback is to return surplus cash to the equity shareholders of the Company. The Buyback through Tender Offer route gives an option to all the equity shareholders, including the promoter and promoter group shareholders, to receive the surplus cash by participating in the Buyback.

The board at its meeting held on 09th July, 2021 decided to recommend Buyback of up to **27,00,000 (Twenty Seven Lakhs Only)** Equity shares of the face value of Rs.10 each representing **20.27%** of the equity share capital of the Company, at the price of Rs. **70 (Seventy)** per Equity Share aggregating to Rs. **18,90,00,000 (Rupees Eighteen Crores Ninety Lacs only)** representing **20.10%** and **20.15%** of the fully paid-up Equity Share capital and free reserves as per the latest available audited financial statements of the Company for the financial year ended March 31, 2021, on standalone and consolidated basis, respectively.

Buyback is a more efficient form of distributing surplus cash to the equity shareholders compared to other alternatives including interim dividend, inter-alia, for the following reasons:

- (i) The Buyback gives an option to the equity shareholders, 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 thereby and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment;
- (ii) Since the Buyback Offer proceeds will be taxed as capital gains, the Buyback Offer would enable the Company to distribute the entire amount so allocated to the equity shareholders in a more efficient manner as compared to dividend distribution which would involve payment of dividend distribution tax and thereby resulting in lower amount being distributed to the equity shareholders; and
- (iii) The Buyback would help in improving certain key financial ratios of the Company

(b) APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY FOR THE BUYBACK :

With the intent of distribution of surplus cash to the equity shareholders and also taking into account the factors set out in point(a) above, the Board at its meeting held on 09th July, 2021 approved the proposal of recommending for the buy back on a proportionate basis from the equity shareholders/beneficial owner of the equity shares of the Company as on the record



date(to be decided later), up to **27,00,000 (Twenty Seven Lakhs Only)** Equity shares of the face value of Rs.10 each representing **20.27%** of the equity share capital of the Company, at the price of Rs. **70 (Seventy)** per Equity Share aggregating to Rs. **18,90,00,000 (Rupees Eighteen Crores Ninety Lacs only)** representing **20.10%** and **20.15%** of the fully paid-up Equity Share capital and free reserves as per the latest available audited financial statements of the Company for the financial year ended March 31, 2021, on standalone and consolidated basis, respectively which does not exceed 25% of the total paid-up capital and free reserves as per the audited standalone and consolidated balance sheets as on March 31, 2021 through tender offer route as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“Buyback”) and in accordance with the Articles of Association of the Company and subject to the provisions of Sections 68, 69 and 70 and all other applicable provisions read with rules made there under, if any, of the Companies Act, 2013.

(c) **METHOD TO BE ADOPTED FOR THE BUYBACK:**

The Buyback shall be on a proportionate basis from all the equity shareholders of the Company through the “Tender Offer” route, as prescribed under the Buyback Regulations. As required under the Buyback Regulations, the Company will announce a record date (the “Record Date”) for determining the names of the equity shareholders who will be eligible to participate in the Buyback.

The Company shall implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD /DCR2 /CIR /P /2016 /131 dated December 9, 2016 and BSE notice no. 20170210-16 dated February 10, 2017 and the Company shall approach the stock exchanges, as may be required, for facilitating the same;

In due course, each equity shareholder as on the Record Date will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the equity shareholder for participating in the Buyback.

The equity shares to be bought back as a part of the Buyback is divided in two categories:

- a) Reserved category for Small Shareholders; and
- b) General category for all other shareholders.

As defined in the Buyback regulations, a ‘Small Shareholder’ means a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognised stock exchange in which highest trading volume in respect of such security, as on record date is not more than two lakh rupees.

In accordance with Regulation 6 of the Buyback regulations, 15% of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as a part of this Buyback.

On the Basis of the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their 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.

Equity shareholders' participation in Buyback will be voluntary. Equity shareholders can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Equity shareholders may also accept a part of their entitlement. Equity shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other equity shareholders, if any.

The maximum tender under the Buyback by any equity shareholder cannot exceed the number of equity shares held by the equity shareholder as on the Record Date.

The equity shares tendered as per the entitlement by the equity shareholders as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. Detailed instructions for participation in the Buyback (tender 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 equity shareholders as on Record Date.

(d) MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK AND THE SOURCES OF FUNDS FROM WHICH THE BUYBACK WOULD BE FINANCED:

The maximum amount required under the Buyback will be Rs. **18,90,00,000 (Rupees Eighteen Crores Ninety Lacs only)**. The Buyback would be financed out of current surplus and/or cash/bank and/or cash equivalents/bank balances and/ or internal accruals of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.

The Company confirms that as required under Section 68 (2) (d) of the Companies Act 2013, the ratio of the total debt owed by the Company shall not be more than twice the equity share capital and free reserves after the Buyback.

(e) BUYBACK PRICE AND THE BASIS OF ARRIVING AT THE BUYBACK PRICE:

The Equity shares of the Company are proposed to be bought back at a price of Rs. **70/-** per equity share. The Buyback Offer Price has been arrived at after considering various factors, such as closing market price of the equity shares of the Company on BSE (where the equity shares of the Company are listed) for a period of one month preceding the date of notice of board meeting, closing price of the last trading day preceding the date of notice of board meeting, and the impact of the Buyback on the earnings per equity share of the Company and financial ratios of the Company and other relevant considerations.

(f) NUMBER OF SHARES THAT THE COMPANY PROPOSES TO BUYBACK AND THE TIME LIMIT FOR COMPLETING THE BUYBACK:

The Company proposes to Buyback not exceeding **27,00,000 (Twenty Seven Lakhs Only)** Equity shares of face value of Rs. 10 each of the Company. The Buyback is proposed to be completed within 12 months of the date of special resolution approving the proposed Buyback.



(g) **COMPLIANCE WITH SECTION 68(2)(C) OF THE COMPANIES ACT:**

The standalone and consolidate aggregate paid up capital and free reserves as at March 31, 2021 is Rs. **94,03,29,132** lacs and Rs. **93,81,56,256** Lacs respectively. Under the provisions of Companies Act, the funds deployed for the Buyback cannot exceed 25% of the total paid up capital and free reserves of the Company. The maximum amount proposed to be utilized for the Buyback is approximately Rs **18,90,00,000** (Rupees **Eighteen Crores Ninety Lacs** only) and is within the limit of 25% of the Company's total paid-up capital and free reserves as per the audited standalone and consolidated balance sheets as on March 31, 2021.

(h) **THE AGGREGATE SHAREHOLDING OF THE PROMOTERS, THE DIRECTORS OF THE PROMOTER COMPANIES HOLDING SHARES IN THE COMPANY AND OF PERSONS WHO ARE IN CONTROL OF THE COMPANY AS ON THIS DATE OF THIS NOTICE:**

a) **Shareholding of the Promoter and Promoter Group:**

Sr. No.	Name of the Promoter and Promoter Group	Equity Shares held	% to the total paid up equity capital
1.	JEETMAL BHOORCHAND PAREKH	1744481	13.10
2.	RAHUL JEETMAL PAREKH	2551119	19.15
3.	ANAND JEETMAL PAREKH	2451122	18.40
4.	KAMLABEN JEETMAL PAREKH	756570	5.68
5.	RATNA RAHUL PAREKH	356120	2.67
6.	AMITA ANAND PAREKH	400364	3.01
7.	MAMTA ATULKUMAR SURANA	159238	1.20
8.	ATUL JAIN	4875	0.04
9.	JEETMAL BHOORCHAND (HUF)	180375	1.35
10.	JEETMAL PRITHVIRAJ PAREKH HUF	10250	0.08
11.	JEETMAL RAHULKUMAR HUF	127750	0.96
12.	YASHOVARDHAN RAHUL PAREKH	61596	0.46
13.	ROHAN ANAND PAREKH	15896	0.12
14.	ANAND CHEM INDUSTRIES PRIVATE LIMITED	130762	0.98
15.	ASHITA MERCANTILE PRIVATE LIMITED	33125	0.25
16.	HEENA AGRICULTURE PVT LTD	94875	0.71
17.	MAHALAXMI CALCHEM PRIVATE LTD	233490	1.75
18.	SONNET COLOURS PVT LTD	45625	0.34
19.	RAHUL CALCHEM PVT LTD	286100	2.15
	TOTAL	9643733	72.40

b) **Shareholding of directors of the Promoter and Promoter Group companies: NIL**

c) **Shareholding of directors of the Company**

Sr. No.	Name of the Director	Equity Shares held	% to the total paid up equity capital
1	JEETMAL BHOORCHAND PAREKH	1744481	13.10
2	RAHUL JEETMAL PAREKH	2551119	19.15



3	ANAND JEETMAL PAREKH	2451122	18.40
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- i. **DETAILS OF TRANSACTIONS-PURCHASE/SALE/TRANSFER UNDERTAKEN BY PERSONS REFERRED TO IN (h) ABOVE DURING THE PERIOD OF LAST SIX MONTHS PRECEDING THE DATE OF BOARD MEETING AT WHICH THE BUYBACK WAS APPROVED UPTO THE DATE OF THIS NOTICE- NIL**

(j) **INTENTION OF THE PROMOTERS AND PERSONS IN CONTROL OF THE COMPANY TO TENDER EQUITY SHARES IN THE BUYBACK**

The Promoter and Promoter Group of the Company have expressed their intention of participation (refer table below) in the proposed Buyback to such an extent that the Public Shareholding in the Company at all times does not fall below 25% of the post Buyback equity share capital of the Company.

Details of participation of Promoter and Promoter Group in the proposed Buyback:

Sr. No.	Name of the Promoter and Promoter Group	Equity Shares held	% to the total paid up equity capital	Indicative quantity
1.	JEETMAL BHOORCHAND PAREKH	1744481	13.10	Upto 17,44,481
2.	RAHUL JEETMAL PAREKH	2551119	19.15	Upto 25,51,119
3.	ANAND JEETMAL PAREKH	2451122	18.40	Upto 24,51,122
4.	KAMLABEN JEETMAL PAREKH	756570	5.68	Upto 7,56,570
5.	RATNA RAHUL PAREKH	356120	2.67	Upto 3,56,120
6.	MAMTA ATULKUMAR SURANA	159238	1.20	Upto 1,59,238
7.	JEETMAL BHOORCHAND (HUF)	180375	1.35	Upto 1,80,375
8.	JEETMAL RAHULKUMAR HUF	127750	0.96	Upto 1,27,750
9.	ANAND CHEM INDUSTRIES PRIVATE LIMITED	130762	0.98	Upto 1,30,762
10.	ASHITA MERCANTILE PRIVATE LIMITED	33125	0.25	Upto 33,125
11.	HEENA AGRICULTURE PVT LTD	94875	0.71	Upto 94,875
12.	MAHALAXMI CALCHEM PRIVATE LTD	233490	1.75	Upto 2,33,490
13.	SONNET COLOURS PVT LTD	45625	0.34	Upto 45,625
14.	RAHUL CALCHEM PVT LTD	286100	2.15	Upto 2,86,100
	TOTAL	9150752	68.69	

Details of acquisition of shares of the company by Promoter & Promoter group:

1. **Jeetmal Bhoorchand Parekh**

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	6444810	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		644481	-



Warrant Conversion	14-02-2017	350000	45.00
Warrant Conversion	14-10-2017	500000	45.00
Warrant Conversion	30-04-2018	250000	45.00
Total		1744481	

2. Rahul Jeetmal Parekh

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	8511190	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		851119	-
Warrant Conversion	14-02-2017	400000	45.00
Warrant Conversion	14-10-2017	500000	45.00
Warrant Conversion	30-04-2018	800000	45.00
Total		2551119	

3. Anand Jeetmal Parekh

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	7511220	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		751122	-
Warrant Conversion	14-02-2017	400000	45.00
Warrant Conversion	14-10-2017	500000	45.00
Warrant Conversion	30-04-2018	800000	45.00
Total		2451122	

4. Kamlaben Jeetmal Parekh

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	7565700	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		756570	
Total	Total	756570	

5. Ratna Rahul Parekh

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	3090750	
Open Market Purchases	03-02-2015	38000	3.55
Open Market Purchases	04-02-2015	17525	3.88



Open Market Purchases	16-02-2015	10743	3.52
Open Market Purchases	18-02-2015	49646	3.58
Open Market Purchases	18-02-2015	65414	3.60
Open Market Purchases	09-03-2015	94107	3.47
Open Market Purchases	10-03-2015	65342	3.71
Open Market Purchases	24-03-2015	46873	3.70
Open Market Purchases	25-03-2015	62808	3.66
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		354120	-
Open Market Purchases	05-03-2020	2000	39.00
	Total	356120	

6. Jeetmal Bhoorchand (HUF)

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	1803750	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		180375	-
	Total	180375	

7. Rahul Calchem Pvt Ltd

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	2861000	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		286100	-
	Total	286100	

8. Mamta Atulkumar Surana

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	1592380	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		159238	-
	Total	159238	

9. Mahalaxmi Calchem Private Ltd

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	1700000	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation	05-11-2015	170000	-



Open Market Purchases	05-01-2016	10604	45.60
Open Market Purchases	06-01-2016	3221	45.75
Open Market Purchases	07-01-2016	4010	43.45
Open Market Purchases	08-01-2016	3855	45.00
Open Market Purchases	18-02-2016	1062	34.89
Open Market Purchases	19-02-2016	559	34.90
Open Market Purchases	23-02-2016	1500	33.60
Open Market Purchases	24-02-2016	5399	33.67
Open Market Purchases	29-02-2016	4574	33.79
Open Market Purchases	01-03-2016	3700	33.59
Open Market Purchases	02-03-2016	3702	34.39
Open Market Purchases	03-03-2016	2848	35.10
Open Market Purchases	04-03-2016	8286	34.91
Open Market Purchases	09-03-2016	4704	34.26
Open Market Purchases	10-03-2016	5466	34.90
	Total	233490	

10. Jeetmal Rahulkumar HUF

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	1277500	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		127750	-
	Total	127750	

11. Anand Chem Industries Private Limited

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	1231000	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		123100	-
Open Market Purchases	11-01-2016	1387	47.90
Open Market Purchases	12-01-2016	2130	48.20
Open Market Purchases	20-01-2016	1670	39.41
Open Market Purchases	21-01-2016	2475	40.40
	Total	130762	

12. Heena Agriculture Pvt Ltd

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
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Balance on 31/03/2011	-	948750	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		94875	-
	Total	94875	

13. Sonnet Colours Pvt Ltd

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	456250	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		45625	-
	Total	45625	

14. Ashita Mercantile Private Limited

<i>Nature of Transaction</i>	<i>Date of Acquisition / Disposal</i>	<i>Number of Shares Acquired</i>	<i>Price (Rs. Per Share)</i>
Balance on 31/03/2011	-	331250	
Consolidation of face value from Re. 1 per share to Rs. 10 per share			
After Consolidation		33125	-
	Total	33125	

(k) CONFIRMATION 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:

The Company confirms 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 institution or banks.

(l) CONFIRMATION THAT THE BOARD HAS MADE FULL ENQUIRY INTO THE AFFAIRS AND PROSPECTS OF THE COMPANY AND THAT THEY HAVE FORMED THE OPINION TO THE EFFECT THAT THE COMPANY, AFTER BUYBACK WILL CONTINUE TO BE ABLE TO MEET ITS LIABILITIES AND WILL NOT BE RENDERED INSOLVENT:

Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

(a) That immediately following the date of the Board Meeting held on 09th July, 2021 and the date on which the results of the postal ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;

(b) That as regards the Company's prospects for the year immediately following the date of the board meeting as well as the year immediately following the date on which the results of the postal ballot will be declared, approving the Buyback and having regards 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 or within a period of one year from the date on which the results of the postal ballot will be declared, as the case may be;

(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 (including prospective and contingent liabilities).

(m) AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT:

(a) The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;

(b) The Company shall not raise further capital for a period of six months from the closure of Buy-back Offer, except in discharge of its subsisting obligations or such period as may be applicable under extant regulations (as per the provisions of the Companies Act, issue of shares by way of bonus shares or in the discharge of subsisting obligations into equity shares are not covered by this restriction);

(c) The special resolution approving the Buyback will be valid for a maximum period of twelve months from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits;

(d) The Equity Shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;

(e) The Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback.

(f) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date;

(g) 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

(h) The Company shall not withdraw the Buyback Offer after the draft letter of offer is filed with SEBI or public announcement of the Buyback Offer is made; and

(i) The Company shall not buyback locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable.

(j) The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:



a. Immediately following the date of the Board meeting, and the date on which the result of Members resolution passed by way of Postal Ballot (“Postal Ballot Resolution”) will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;

b. As regards the Company’s prospects for the year immediately following the date of the Board Meeting approving the Buyback as well as for the year immediately following the date of Postal Ballot Resolution, and having regard to the Board’s intention with respect to the management of 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 as also from the date of Postal Ballot Resolution;

c. In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Companies Act, 2013/Insolvency and Bankruptcy Code, 2016 as amended from time to time, as applicable.

(k) Report addressed to the Board of Directors by the Company’s Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

Statutory Auditor’s Report in respect of the proposed buy-back of equity shares by Mahalaxmi Rubtech Limited (‘the Company’) in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended, (“Buy-back Regulations”).

Date: 09th July, 2021

To,
Board of Directors
Mahalaxmi Rubtech Limited
47, New Cloth Market, Ahmedabad,
Gujarat, 380002

1. This Report is issued in accordance with the terms of our service scope letter dated July 6, 2021.
2. In connection with the proposal of the Company to buy-back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (“Act”) and Buy-back Regulations, and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on 09th July, 2021, (“**Board Meeting**”), we have been engaged by the Company to perform a reasonable or limited assurance as applicable on the reporting criteria, specified in paragraph 5 of this report.

Board of Directors Responsibility

3. The preparation of the statement of determination of the permissible capital payment (including premium) towards buy-back of Equity Shares (“**Statement**”), as set out in Annexure A hereto, initialed by us for identification purpose only, 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 are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting and the date of the Letter of Offer.

Auditor's Responsibility

5. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following ("**Reporting Criteria**"):
 - (i) Whether we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended 31 March 2021;
 - (ii) if the amount of permissible capital payment (including premium) as stated in Annexure A for the proposed buy-back of equity shares, has been properly determined considering the audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2021 in accordance with Section 68(2) of the Act; and Regulation 5 of the Buy-back Regulations; and
 - (iii) Whether the Board of Directors in their meeting dated 09th July, 2021, has 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 a period of one year from the date of the Board Meeting.
6. The standalone and consolidated financial statements referred to in paragraph 5 above, which we have considered for the purpose of this report, have been audited by us, on which we have issued an unqualified audit report dated 31st May, 2021. We conducted our audit in accordance with the Standards on Auditing (SAs) 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.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance note"). 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.



Opinion

9. Based on our examination as above and the information and explanations given to us, in our opinion:
- a) that the proposed amount of capital payment of ₹18,90,00,000 (Rupees Eighteen Crores Ninety Lacs only) for the buy-back of 27,00,000 equity shares in question does not exceed the permissible capital payment which is ₹ 23,50,82,283/- (Rupees Twenty Three Crores Fifty Lacs Eighty Two Thousand Two Hundred Eighty Three Only), as determined in the statement of determination of the permissible capital payment towards buy-back of equity shares, as stated in Annexure A, is properly determined in accordance with Section 68 of the Act; and
 - b) that the Board of Directors in their meeting held on 09th July, 2021 have formed the opinion, as specified in clause (x) of Schedule I of the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated July 9, 2021.

Restriction on Use

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buy-back Regulations solely to enable them to include it (a) in the Public Announcement to be made to the members of the Company, (b) in the Draft Letter of Offer and (c) Letter of Offer to be filed with the Securities and Exchange Board of India, the Stock Exchanges, the Registrar of Companies as required by the Buy-back Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Jain Chowdhary & Co.
Chartered Accountants
(Registration No: 113267W)

CA Hitesh Salecha
Partner
Membership No: 147413
Place: **Ahmedabad**
Date: **09th July, 2021**
UDIN: 21147413AAAACE2798

Annexure A

Statement of determination of the permissible capital payment (including premium) towards buy-back of equity shares (“Statement”) in accordance with Section 68(2) of the Companies Act, 2013

(Amounts in INR Lakhs)

Particulars	Standalone	Consolidated
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Total paid-up share capital and free reserves as on March 31, 2021 based on the audited standalone financial statements of the Company [A]	13,32,02,750	13,32,02,750
Free reserves, comprising of:		
- Securities premium account	15,75,00,000	15,75,00,000
- Surplus / (Deficit) in the statement of profit and loss	49,80,63,833	49,58,90,957
- General Reserves	15,15,62,549	15,15,62,549
Total free reserves [B]	80,71,26,382	80,49,53,506
Total paid-up share capital and free reserves (sum of A & B)	94,03,29,132	93,81,56,256
Maximum amount permissible for buyback under Section 68 of the Act, i.e. 25% of the total paid up capital and free reserves	23,50,82,283	23,45,39,064

For any clarifications related to the Buyback process, the equity shareholders may contact the following:

Kevin Dhruve
Company Secretary & Compliance officer
Mahalaxmi Rubtech Limited
47, New Cloth Market, Ahmedabad, Gujarat, 380002
Tel: 0-79 4000 8000
Email: cs@mahalaxmigroup.net

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its equity shareholders. The Directors, therefore, recommend passing of the special resolution as set out in the accompanying Notice for approval of the members through Postal Ballot.

None of the Directors, Key Managerial Personnel of the Company or their relatives, in anyway, concerned or interested, either directly or indirectly in passing of the said resolution, save and except to the extent of their shareholding in the Company.

By Order of the Board of Directors,
For Mahalaxmi Rubtech Limited

Sd/-
Kevin Dhruve
Company Secretary
Membership No. ACS 60857
Date: July 9, 2021
Place: Ahmedabad