PBM POLYTEX LIMITED

Corporate Identity Number (CIN): L17110GJ1919PLC000495
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Contact Person: Mr. Mukesh Prajapat, Assistant Company Secretary & Compliance Officer

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF PBM POLYTEX LIMITED ("COMPANY") FOR BUY-BACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018.

This Public Announcement (the **"Public Announcement"**) is being made in accordance with the provisions of Regulation 7(1) 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 II to the Buy-Back Regulations.

CASH OFFER FOR BUY-BACK OF UP TO 13,75,000 (THIRTEEN LAKH SEVENTY FIVE THOUSAND) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF ₹ 10 (RUPEES TEN ONLY) EACH AT A PRICE OF ₹ 80 (RUPEES EIGHTY ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE "TENDER OFFER" ROUTE AS PRESCRIBED UNDER THE BUY-BACK REGULATIONS USING STOCK EXCHANGE MECHANISM.

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

1.1. The Board of Directors of PBM Polytex Limited (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee constituted by Board to exercise its powers) has, at their meeting held on February 21, 2019 (the **"Board Meeting"**), pursuant to the provisions of Article 88 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013 as amended from time to time (the **"Act"**) and applicable rules made thereunder and in compliance with the Buy-Back Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), Foreign Exchange Management Act, 1999 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the Buy-back of up to 13,75,000 (Thirteen Lakh Seventy Five Thousand) fully paid up Equity Shares of face value of ₹ 10 each (**"Equity Shares"**) (representing 16.91% of total paid-up equity share capital of the Company) at a price of ₹ 80 (Rupees Eighty Only) per Equity Share (the **"Buy-back Price"**) payable in cash for an aggregate amount not exceeding ₹ 11,00,00,000 (Rupees Eleven Crore only) (the **"Buy-back Size"**), excluding costs such as fees, brokerage, securities transaction tax, goods and services tax, stamp duty, etc., (the **"Transaction Cost"**) which represents 9.85% of the paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements of the Company as on March 31, 2018, on a proportionate basis through the tender offer route using stock exchange mechanism (**"Tender Offer"**) as prescribed under the Buy-Back Regulations, from all the equity shareholders/ beneficial owners of the Equity Shares of the Company including Promoters, members of Promoter group and Persons Acting in Concert of the Company who hold Equity Shares as on the record date i.e. Friday, March 08, 2019 (**"Record Date"**) (**"Buy-back Offer"/ "Buy-back"**). It is being understood that the **"Promoter", "Promoter Group"** and **"Persons Acting in Concert"** will be such persons as have been disclosed under the shareholding pattern filings made by the Company from time to time under Listing Regulations and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

1.2. The aggregate paid-up share capital and free reserves (including securities premium account) of the Company as on March 31, 2018 based on audited standalone financial statements is ₹11,163.79 Lakhs. In accordance with Section 68(2) of the Act and Regulation 5 of the Buy-back Regulations, the Board of Directors of a company can authorize the buy-back of Equity Shares involving payment of consideration not exceeding 10% of the total paid up equity share capital and free reserves (including securities premium account) of the company. Accordingly, the Company proposes to utilize an amount not exceeding ₹ 1,100.00 Lakhs for the proposed Buy-back representing 9.85% of the total paid up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements of the Company as on March 31, 2018 which is within the power of the Board.

1.3. Further, under the Act and the Buy-Back Regulations, the number of equity shares that can be bought back during a financial year shall not exceed 25% of the total number of outstanding equity shares of the company. Accordingly, the number of Equity Shares that can be bought back by the Company during a financial year cannot exceed 20,32,255 Equity Shares, being 25% of the paid up Equity Shares of the Company, i.e., 81,29,020 Equity Shares. Since the Company proposes to Buy-back up to 13,75,000 Equity Shares, the same is within the aforesaid limit.

1.4. In terms of Buy-Back Regulations, under the Tender Offer route, Promoters, Promoter Group and Persons Acting in Concert have an option to participate in the Buy-back. In this regard, the details of the Promoters, Promoter Group and Persons Acting in Concert, who have expressed their intention to participate and details of their intended participation in the Buy-back have been given in para 8 hereinafter. The Promoters are already having control over the affairs of the Company and therefore any further increase/decrease in their voting rights, if any consequent to Buy-back of Equity Shares, will not result in any change in control over the affairs of the Company and shall be in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

1.5. Post Buy-back, the level of holding of public shareholders in the Company shall not fall below the minimum level of public shareholding required to be maintained in terms of Securities Contracts (Regulation) Rules, 1957 (**"SCRR"**) and under the Listing Regulations. Due to any reason, if the public shareholding in the Company post Buy-back falls below the minimum level of public shareholding prescribed under SCRR, the Company undertakes to bring the public shareholding to the minimum prescribed level within the time and in the manner prescribed under SCRR and the Listing Regulations.

1.6. The Buy-back of Equity Shares may be subject to taxation in India and / or in the country of residence of the Eligible Shareholder(s) (as defined hereinafter). In due course, Eligible Shareholder(s) will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholder(s) are requested to consult their tax advisors for the applicable tax implications, provisions including the treatment that may be given by their respective tax officers in their case and the appropriate course of action that they should take.

1.7. A copy of this Public Announcement will be available on SEBI's website (www.sebi.gov.in) as well as on Company's website (www.pbmpolytex.com) and on the website of Stock Exchange (www.bseindia.com).

2. NECESSITY OF THE BUY-BACK

2.1. The Buy-back is being undertaken by the Company to partly return surplus funds to the equity shareholders of the Company. Additionally, the Buy-back is being undertaken for the following reasons:

i. The Buy-back will help the Company to distribute surplus funds to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the shareholders;

ii. The Buy-back, which is being implemented through the Tender Offer as prescribed under the Buy-Back Regulations, would involve a reservation of 15% of the Buy-back Size for small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders" as defined under Regulation 2(i)(n) of the Buy-Back Regulations;

iii. The Buy-back may help in improving financial ratios like earnings per share, return on assets and return on equity calculated on the basis of financial statements, by reducing the equity base of the Company; and

iv. The Buy-back gives an option to the Eligible Shareholders to either choose to participate in the Buy-back and receive cash in lieu of their Equity Shares which are accepted under the Buy-back or choose not to participate in the Buy-back and get a resultant increase in their percentage shareholding in the Company post Buy-back, without additional investment

3. MAXIMUM AMOUNT REQUIRED UNDER THE BUY-BACK

The maximum amount required under the Buy-back will not exceed ₹ 1,100.00 Lakhs (excluding Transaction Cost) which is not exceeding 10% of the aggregate of the total paid up equity share capital and free reserves (including securities premium account) of the Company as per the audited standalone financial statements of the Company as on March 31, 2018.

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

4.1. The Equity Shares are proposed to be bought back at a price of ₹ 80 (Rupees Eighty only) per Equity Share. The 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 BSE during 3 (three) months and 2 (two) weeks preceding the date of the Board Meeting, closing market price on the date of Board Meeting and the impact on the net worth of the Company.

4.2. The Buy-back Price represents a premium of 4.06 % over the volume weighted average market price of the Equity Shares on BSE for 3 (three) months preceding the date of the Board Meeting which was ₹ 76.88 and 8.07% over the volume weighted average market price of the Equity Shares on BSE for 2 (two) weeks preceding the date of the Board Meeting which was ₹ 74.03. The closing market price of the Equity Shares as on the date of the Board Meeting was ₹ 80.70 on BSE.

5. MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUY-BACK

The Company proposes to Buy-back up to 13,75,000 (Thirteen Lakh Seventy Five Thousand) fully paid-up Equity Shares of the Company representing 16.91 % of total paid-up equity share capital of the Company.

6. METHODOLOGY FOR BUY-BACK

6.1. The Buy-back will be undertaken on a proportionate basis from the equity shareholders/ beneficial owner of Equity Shares of the Company as on the Record Date (**"Eligible Shareholders"**) through the tender offer process prescribed under Regulation 4(iv)(a) of the Buy-back Regulations. Additionally, the Buy-back shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 (the **"SEBI Circulars"**) in terms of Regulation 9(vii) of the Buy-back Regulations.

6.2. As required under the Buy-back Regulations, Equity Shares to be bought back under Tender Offer are divided into two categories: (i) Reserved category for Small Shareholders (as defined hereinafter); and (ii) General category for all other shareholders. For further details, please refer to para 12 of this Public Announcement.

7. DETAILS OF SHAREHOLDING OF PROMOTERS, PROMOTER GROUP AND PERSONS IN CONTROL

7.1. The aggregate shareholding of a) the Promoters and Promoter Group of the Company and b) the directors of corporate promoters of the Company as on the date of the Board Meeting i.e. February 21, 2019 is given below:

Category of Member	No. of Equity Shares Held	% of Existing Equity Share Capital
Promoters and Promoter Group	60,29,107	74.17%
Directors of corporate promoters (other than promoters and promoter group)	-	-
Total of Promoters and Promoter Group	**60,29,107**	**74.17%**

7.2. No Equity Shares have been purchased or sold by persons mentioned in para 7.1 above during a period of six months preceding the date of the Board Meeting at which the Buy-back was approved, i.e. February 21, 2019.

8. INTENTION OF THE PROMOTERS AND PROMOTER GROUP TO TENDER EQUITY SHARES FOR BUY-BACK

8.1. In terms of the Buy-back Regulations, under Tender Offer, the Promoters and Promoter Group have an option to participate in the Buy-back. In this regard, one of the members of the Promoters and Promoter Group have expressed their intention to participate in the Buy-back and tender up to an aggregate maximum number of 15,82,347 Equity Shares.

The maximum number of Equity Shares intended to be tendered by the Promoters and Promoter Group who have expressed their intention to tender Equity Shares in the Buy-back is as under:

Sr. No.	Name	No. of shares held as on the date of Board Meeting	Maximum No. of shares proposed to be tendered
1.	Eurotex Industries and Exports Limited	15,82,347	15,82,347
	Total	**15,82,347**	**15,82,347**

8.2. Details of the date and price of acquisition of the Equity Shares that the Promoters and Promoter Group intend to tender are set-out below:

1) **Eurotex Industries and Exports Limited**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition Price per Equity Share (₹)	Total Consideration (₹)
July 20, 1992	Market Purchase	500	10	60	30,000
June 24, 1993	Rights Issue	8,39,285	10	28	2,34,99,980
November 27, 1995	Rights Issue	1,97,562	10	10	19,75,620
May 16, 1998	Rights Issue	5,45,000	10	10	54,50,000
	Total	**15,82,347**			**3,09,55,600**

9. NO DEFAULT

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

10. CONFIRMATION FROM THE BOARD

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

a) Immediately following the date of convening of the Board Meeting i.e. Friday, February 21, 2019 at which the Buy-back of the Company's Equity Shares is approved, there shall 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 held to approve the Buy-back 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 shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from the date of the Board Meeting approving such Buy-back; and

c) In forming the opinion as aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act, 1956 or the Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016, as applicable (including prospective and contingent liabilities).

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

The text of the report dated February 21, 2019 received from M/s Chandulal M. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company and the Statement of computation of permissible capital payments for the proposed Buy-back of Equity Shares of the Company, addressed to the Board of Directors of the Company is reproduced below

Quote

To,
The Board of Directors
PBM Polytex Limited
Opp. Railway Station, Dist: Anand, Petlad, Gujarat, 388450

Subject: Statutory Auditor's Report on the matters specified in clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations") for proposed buyback of equity shares of PBM Polytex Limited

1. This Report is issued in accordance with the terms of our engagement letter dated 12th February 2019 with PBM Polytex Limited. The Board of Directors of the Company has approved a proposed buy-back of equity shares of the Company at its meeting held on 21st February 2019 in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations

2. We, Chandulal M. Shah & Co. Chartered Accountants (Firm Registration Number 101698W), the Statutory Auditor of PBM Polytex Limited ("PBM"/the "Company"), have been requested by the management of the Company to provide a report on the accompanying statement of permissible capital payment (including premium) ('Annexure A') as at March 31, 2018 (hereinafter referred together as the "Statement"). This Statement has been prepared by the Management, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with Section 68 (2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, 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

Auditor's Responsibility

Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance on the following point (i) and to provide limited assurance on the following point (ii) (**"the Reporting Criteria"**) and we inquire into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the financial year ended March 31, 2018.

(i) The amounts used for computing the permissible capital payment as stated in Annexure A, have been accurately extracted from the audited standalone financial statements of the Company for the financial year ended March 31, 2018 and whether the computation of is in accordance with Section 68(2)(c) of the Act; and;

(ii) The Board of Directors of the Company in their meeting dated 21st February 2019 have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and 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 of Board meeting resolution dated 21st February 2019.

4. The financial statements referred to in paragraph 3 above, for the year ended March 31, 2018 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated 30th May, 2018. We conducted our audit of these financial statements in accordance with Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

5. 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 requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. 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

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

i. We have enquired into the state of affairs of the Company in relation to its audited financial statements as at and for the year ended March 31, 2018 which has been approved by the Board of Directors of the Company on 30th May, 2018;

ii. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with Section 68(2) (c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2018; and

iii. The Board of Directors of the Company, in their meeting held on 21st February 2019 have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and 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 passing the Board Meeting Resolution dated 21st February 2019, with regard to the proposed buyback are declared.

Restriction on Use

8. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For **Chandulal M. Shah & Co.**
Chartered Accountants
ICAI Firm Registration Number: 101698W
Sd/-
CA B. M. Zinzuvadia
Partner
Membership Number: 109606
UDIN:-19109606AAAAAE2927
Place of Signature: Ahmedabad   Date: 21 Feb 2019

PBM Polytex Limited
Annexure A
Statement of determination of the permissible capital payment towards Buy-back of Equity Shares ('the Statement") in accordance with Section 68 (2) (c) of the Companies Act, 2013

Particulars		March 31, 2018 (₹ in lakhs)
Paid-up Equity Share Capital as at March 31, 2018*		
81,29,020 equity shares of ₹ 10 each fully paid-up	(A)	812.90
Free Reserves as at March 31, 2018*		
Securities premium account		361.05
General reserve		7,331.57
Surplus in the statement of profit & loss**		2,658.27
Total	**(B)**	**10,350.89**
Total	**(A+B)**	**11,163.79**
Permissible capital payment towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves)		2,790.95
Permissible number of Equity Shares eligible for Buy-back in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of number of paid up equity capital) (Nos.)		20,32,255
10% of Total Paid Up Equity Share Capital and Free Reserves as at March 31, 2018		1,116.38
Amount approved by the Board of Directors at their meeting held on February 21, 2019		1,100.00

* Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company for the year ended March 31, 2018.

** surplus is adjusted for the unrealized gain and fair value adjustments.

For and on behalf of Board of Directors of
PBM Polytex Limited
Sd/-
Gopal Patodia
Managing Director
DIN: 00014247
Place: Vadodara   Date: February 21, 2019

Unquote

12. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT

12.1. The Board has fixed Friday, March 08, 2019 as the Record Date for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buy-back (**"Eligible Shareholders"**).

12.2. In due course, Eligible Shareholders will receive a Letter of Offer along with a Tender/Offer Form indicating the entitlement of the equity shareholder for participating in the Buy-back. Even if Eligible Shareholder does not receive the Letter of Offer along with a Tender/Offer Form, the Eligible Shareholder may participate and tender shares in the Buy-back.

12.3. The Equity Shares to be bought back as part of the Buy-back are divided in two categories:

a. Reserved category for Small Shareholders (defined hereinafter); and

b. General category for all other Eligible Shareholders.

12.4. As defined in the Buy-Back Regulations, a **"Small Shareholder"** is a shareholder who holds shares whose market value, on the basis of closing price of shares on the recognized stock exchange, in which highest trading volume in respect of such shares is recorded on the record date, is not more than ₹ 2,00,000 (Rupees Two Lakhs).

12.5. In accordance with Regulation 6 of the Buy-Back Regulations, 15% of the number of Equity Shares which the Company proposes to Buy-back or number of Equity Shares entitled as per the shareholding of Small Shareholders, whichever is higher, shall be reserved for the Small Shareholders as part of this Buy-back.

12.6. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of Eligible Shareholders, including Small Shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will Buy-back from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not Buy-back all of the Equity Shares tendered by Eligible Shareholders.

12.7. After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buy-back by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

12.8. The participation of the Eligible Shareholders in the Buy-back is voluntary. Eligible Shareholders may also tender a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation by some other Eligible Shareholders, if any. If the Buy-back entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of Buy-back entitlement to tender Equity Shares in the Buy-back.

12.9. The maximum number of Equity Shares that can be tendered under the Buy-back by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buy-Back Regulations. The settlement of the tenders under the Buy-back will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circulars, as may be amended from time to time and other relevant rules and regulations.

12.10. The Buy-back from non-resident members, Overseas Corporate Bodies **(OCBs)** and Foreign Institutional Investors **(FIIs)**, foreign portfolio investors (**"FPIs"**) and members of foreign nationality, if any, etc. shall be subject to such approvals as are required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

12.11. Detailed instructions for participation in the Buy-back as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Eligible Shareholders.

13. PROCESS AND METHODOLOGY FOR THE BUY-BACK

13.1. The Buy-back shall be open to all Eligible Shareholders, holding Equity Shares either in physical or demat form as on the Record Date.

13.2. The Buy-back will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" devised pursuant to SEBI Circulars and following the procedure prescribed in the Act and the Buy-back Regulations and as may be determined by the Board (including any person authorized by the Board to complete the formalities of the Buy-back) and on such terms and conditions as may be permitted by law from time to time.

13.3. For implementation of the Buy-back, the Company has appointed **Pravin Ratilal Share and Stock Brokers Limited** as the registered broker to the Company (the **"Company's Broker"**) who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism for the Buy-back and through whom the purchases and settlement on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:

Name: Pravin Ratilal Share and Stock Brokers Limited
Address: Sakar – 1, 5th Floor, East Wing, Opp. Gandhigram Railway Station, Navarangpura,
Ahmedabad – 380009, Gujarat, India
Contact Person: Ms. Kunjan Mistry **Tel.:** +91-79-6630 2792, +91-79-2655 3792
Email: cs@prssb.com; **Website:** www.prssb.com
SEBI Registration Number: INB010758937 **(BSE)** and INB230758933 **(NSE)**
Corporate Identity Number: U67120GJ1994PLC022117

13.4. For the purpose of this Buy-back, BSE will be the Designated Stock Exchange. The Company will request BSE to provide the facility of acquisition window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buy-back. The details of the platform will be as specified by BSE from time to time. In case Eligible Shareholder's broker is not registered with BSE, Eligible Shareholder may approach Company's Broker to place its bid.

13.5. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers (**"Seller Member"**) during normal trading hours of the secondary market. The Seller Member(s) can enter orders for demat shares as well as physical shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

13.6. **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**

13.6.1. Eligible Shareholders who desire to tender their Equity Shares held by them in the dematerialised form under Buy-back would have to do so through their respective Seller Member by giving the details of Equity Shares they intend to tender under the Buy-back.

13.6.2. The Seller Member would be required to transfer the tendered Equity Shares to a special account of the Indian Clearing Corporation Limited (**"Clearing Corporation"**) specifically created for the purpose of Buy-back Offer (**"Special Account"**) by using settlement number through the early pay in mechanism of Depositories and the same shall be validated at the time of order entry. The details of settlement number and the Special Account shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation prior to placing bid by the Seller Member.

13.6.3. For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

13.6.4. Upon placing the order, the Selling Member shall provide Transaction Registration Slip (**'TRS'**) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the order has been placed. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

13.6.5. The cumulative quantity tendered shall be made available on the website of BSE i.e., www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

13.7. **Procedure to be followed by Eligible Shareholders holding Equity Shares in the physical form:**

13.7.1. Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy-back will be required to approach their Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) tender form duly signed (by all shareholders in case Equity Shares are held in joint names in the same order in which they hold the Equity Shares); (ii) original equity share certificate(s), (iii) valid Form SH-4 share transfer form(s) duly filled and signed by the Eligible Shareholders (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the shareholder's PAN Card, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholders would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport. In the event, any of the above referred details are not provided, then the Company may decide the validity of such bid / Tender Form in consultation with the Registrar and the Manager.

13.7.2. Based on these documents, the concerned Seller Member shall place a bid on behalf of the Eligible Shareholders holding Equity Shares in physical form and who wish to tender Equity Shares in the Buy-back, using the Acquisition Window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the stock exchange bidding system to the shareholder. TRS will contain the details of order submitted such as the folio no., equity share certificate no., distinctive no., no. of Equity Shares tendered etc.

13.7.3. The Seller Member/ Eligible Shareholder has to deliver the original equity share certificate(s) and documents (as mentioned in para 13.7.1 above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post or courier or hand delivery to the Registrar to the Buy-back i.e. **Link Intime India Private Limited** (**"Registrar"**) (at the address mentioned at para 16 below or the collection centre of the registrar details of which will be included in the Letter of Offer) within 2 (two) days of bidding by the Seller Member. The envelope should be super scribed as **"PBM Polytex Limited Buy-back 2019"**. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Seller.

13.7.4. Eligible Shareholders holding Equity Shares in physical form should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buy-back shall be subject to verification as per the Buy-Back Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'Confirmed Bids'.

13.8. Modification/ cancellation of orders will be allowed during the tendering period of the Buy-back. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.

13.9. The cumulative quantity tendered shall be made available on the website of BSE i.e., www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.

14. METHOD OF SETTLEMENT

14.1. Upon finalization of the basis of acceptance as per the Buy-Back Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

14.2. The Company will transfer the consideration pertaining to the Buy-back to the Clearing Corporation's bank account through the Company's Broker as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buy-back, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Member for onward transfer to the such Eligible Shareholder holding Equity Shares in dematerialized form.

14.3. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.

14.4. For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.

14.5. The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow demat account of the Company (**"Company Demat Escrow Account"**) provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.

14.6. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder. The shareholders of the demat Equity Shares will have to ensure that they

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keep the DP account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in the Buy-back.

14.7. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buy-back by Eligible Shareholders holding Equity Shares in the physical form.

14.8. The Seller Member would issue contract note for the Equity Shares accepted under the Buy-back. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.

14.9. Equity Shareholders who intend to participate in the Buy-back should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in the Buy-back (secondary market transaction). Therefore, the Buy-back consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Buy-back and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Seller Member, and such costs will be borne solely by the Eligible Shareholders.

14.10. The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-Back Regulations.

15. COMPLIANCE OFFICER

Investors may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours between i.e. 10.00 AM (IST) to 5.00 PM (IST) on all working days except Saturday, Sunday and public holidays, at the following address

Compliance Officer:

Mr. Mukesh Prajapat

Assistant Company Secretary & Compliance Officer

PBM Polytex Limited

Address: Opposite Railway Station, Petlad – 388 450, Dist. Anand, Gujarat, India.

Phone: +91-2697-224001 | **Fax:** +91-2697-224009;

Email: pbmmills@patodiagroup.com | **Website:** www.pbmpolytex.com

16. REGISTRAR TO THE BUY-BACK / INVESTOR SERVICE CENTRE

In case of any queries, Eligible Shareholders may also contact the Registrar to the Buy-back during office hours between i.e. 10.00 AM (IST) to 5.00 PM (IST) on all working days except Saturday, Sunday and public holidays, at the following address:

LINK Intime

Link Intime India Private Limited

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India.

Tel. No.: +91 22 4918 6200 | **Fax:** +91 22 4918 6195

Email: pbmpolytex.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration Number: INR000004058

17. MANAGER TO THE BUY-BACK

VIVRO

Vivro Financial Services Private Limited

607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai - 400 013, Maharashtra, India.

Contact Person: Mr. Harish Patel / Mr. Bhargav Parekh

E-mail: investors@vivro.net | **Website:** www.vivro.net

Tel: +91 22 6666 8040/41/42 | **Fax:** +91 22 6666 8047

SEBI Registration Number: INM000010122 | **Validity:** Permanent

CIN: U67120GJ1996PTC029182

18. DIRECTORS' RESPONSIBILITY

As per Regulation 24(i)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement and confirms that it contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of PBM Polytex Limited

Sd/-	Sd/-	Sd/-
Gopal Patodia	**Ashok Pandit**	**Mukesh Prajapat**
Managing Director	**Independent Director**	**Assistant Company Secretary & Compliance Officer**
(DIN: 00014247)	**(DIN: 08132980)**	**(Membership Number: A39443)**

Date: February 23, 2019 **Place: Vadodara**

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