

ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED

(CIN: L65993TN1993PLC0286T)

Registered Office: Old No. 11, New No. 2, Parthasarathyapuram, 2nd Street, T.Nagar, Chennai- 600017, Tamil Nadu, India;

Tel.: 044-24356224 / 24355869; Fax: 044-24325643; Website: www.afsindia.in; E-mail: abicompliance@afsindia.in/abi@afsindia.in.

Compliance Officer: Mr. A.S. Arul Saravanan, Company Secretary & Compliance Officer

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE EQUITY SHARES OF ABIRAMI FINANCIAL SERVICES (INDIA) LIMITED FOR THE BUY-BACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (the "Public Announcement" or "PA") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buy-Back Regulations") and contains the disclosures as specified in Schedule II to the Buy-Back Regulations read with Schedule I of the Buy-Back Regulations.

OFFER TO BUY-BACK UP TO 6,00,000 (SIX LAKHS) FULLY PAID-UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF RS.10/- EACH (RUPEES TEN ONLY) (EQUITY SHARES) AT A MAXIMUM PRICE OF RS.28.00/- (RUPEES TWENTY EIGHT ONLY) PER SHARE IN CASH ON A PROPORTIONATE BASIS FROM ALL THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY THROUGH THE TENDER OFFER METHOD USING THE STOCK EXCHANGE MECHANISM.

1. DETAILS OF THE BUY-BACK OFFER

1.1. The Board of Directors of Abirami Financial Services (India) Limited (the "Company") (hereinafter referred to as the "Board"), by their meeting held on Thursday, January 12, 2023 (the "Board Meeting") pursuant to the provisions of Article 40 of Articles of Association of the Company and applicable provisions of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014 (Share Capital Rules), to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and in compliance with the Buy-Back Regulations, 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 by the Company of up to 6,00,000 (Six Lakhs) fully paid up Equity Shares (Maximum Buy-Back Shares) representing 10.00% of the fully paid-up Equity Share capital of the Company at a price not exceeding Rs.28.00/- (Rupees Twenty-Eight only) per Equity Share (Maximum Buy-Back Price) payable in cash for an aggregate amount of up to Rs.1,68,00,000 (Rupees One Crore Sixty Eight Lakhs only), excluding transaction costs incurred viz. brokerage, advisor fees, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc. or to be incurred for the Buy-Back (the "Buy-Back Size"), which does not exceed 10% of the fully paid-up Equity Share capital and free reserves as per the audited financial statements of the Company as at and for the period ended September 30, 2022, through the 'tender offer' route using Stock Exchange mechanism method as prescribed under the Buy-Back Regulations on a proportionate basis, from the shareholders/ beneficial owners of the Equity Shares of the Company, including members of the promoter and promoter group and persons acting in concert it being understood that the "promoter", "promoter group", and "persons acting in concert", will be such persons as have been disclosed under the shareholding pattern filed by the Company from time to time under the SEBI Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI Takeover Regulations") as of the Record Date (hereinafter referred to as "Buy-Back").

1.2. The Buy-Back is in accordance with Article 40 of the Articles of Association of the Company, Sections 68, 69, 70 and 110 and all other applicable provisions of the Companies Act, Share Capital Rules, Management and Administration Rules and the Buy-Back Regulations.

1.3. The Buy-Back is subject to receipt of any approvals, permissions and sanctions of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI") and the stock exchange on which the Equity Shares of the Company are listed, namely, BSE Limited (hereinafter referred to as "BSE").

1.4. This Buy-Back from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationalities, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.

1.5. The Buy-Back shall be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Sellers") through the tender offer process prescribed under Regulation 4(i)(a) of the Buy-Back Regulations. Additionally, the Buy-Back shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Sellers and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFDPOLICYCELL/12015 dated April 13, 2015 and circular bearing reference number CFDP/DCR2/ CIRP/2016/131 dated December 09, 2016 ("SEBI Circulars"). In this regard, the Company will request BSE to provide the acquisition window. For the purposes of this Buy-Back, BSE is the designated stock exchange.

1.6. The Company confirms that as required under Section 68(2)(d) of the Companies Act, and Regulation 4(i) of Buy-Back Regulations the ratio of the aggregate of secured and unsecured debts owed by the Company to the paid-up share capital and free reserves shall be less than or equal to 2:1 after the proposed Buyback.

1.7. In terms of the Buy-Back Regulations, under the tender offer route, the Promoters of the Company have an option to participate in the Buy-Back. The Promoters have expressed their intention to participate in the offer vide letter dated Wednesday, January 11, 2023.

1.8. The Buy-Back of Equity Shares may be subject to capital gains taxation in India and in the country of residence of the Eligible Sellers. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Sellers will receive a letter of offer, which will contain a detailed note on taxation. However, in view of the particularized nature of tax consequences Eligible Sellers are required to consult their tax advisors for the applicable tax 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 in this regard.

1.9. Pursuant to the completion of the Buy-Back, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the SEBI Listing Regulations. Any change in voting rights of the members of the promoter and promoter group of the Company pursuant to completion of Buy-Back will not result in any change in control over the Company.

1.10. A copy of this Public Announcement is available on the website of the Company at www.afsindia.in and is expected to be available on the website of the SEBI at www.sebi.gov.in and on the website of the Stock Exchange at www.bseindia.com, during the period of Buy-Back.

2. NECESSITY OF THE BUY-BACK

2.1. Considering the healthy cash flows that the Company has been able to generate consistently, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Board of the Company is of the view that the proposed Buy-Back will help the Company to achieve the following objectives: (a) Optimize returns to shareholders; (b) Enhance overall shareholders value; and (c) Optimize the capital structure.

2.2. The proposed Buy-Back is being undertaken, inter-alia, for the following reasons: -

a) The Buy-Back will help the Company to return surplus cash to its Shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the Shareholders;

b) The Buy-Back may help in improving return on equity due to reduction in the equity base, thereby leading to long term increase in shareholders' value; and

c) The Buy-Back gives an option to the Shareholders holding Equity Shares of the Company, to either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back Offer or (ii) choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buy-Back Offer, without additional investment.

3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUY-BACK

3.1. The Company proposes to Buy-Back up to 6,00,000 (Six Lakh) Equity Shares of face value of Rs.10.00/- (Rupees Ten only) each, which represent 10.00% of the total number of Equity Shares of the Company.

4. MAXIMUM PRICE AT WHICH SHARES ARE PROPOSED TO BE BOUGHT BACK AND BASIS OF DETERMINING THE BUY-BACK PRICE:

4.1. The Equity Shares of the Company are proposed to be bought back at a price of Rs.28.00/- (Rupees Twenty Eight only) per Equity Share (Offer Price). The Offer Price has been determined after considering various factors including, but not limited to the volume weighted average price of the Equity Shares traded on BSE, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buy-Back on the earnings per Share.

4.2. The Offer Price represents:

i. Premium of 180.85% over the volume weighted average market price of the Equity Shares on BSE, during the three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-Back;

ii. Premium of 131.60% over the volume weighted average market price of the Equity Shares on BSE for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buy-Back.

5. MAXIMUM AMOUNT REQUIRED FOR THE BUY-BACK, ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES AND SOURCE OF FUNDS FROM WHICH BUY-BACK WOULD BE FINANCED

5.1. The aggregate paid-up equity share capital and free reserves (including securities premium account) of the Company as at September 30, 2022, was Rs.22,02,73,103.00 (Rupees Twenty Two Crores Two Lakhs Seventy Three Thousand One Hundred and Three only). Under section 68(2)(c) of the Companies Act and Regulation 4(i) of the Buy-Back Regulations, the funds deployed for the Buy-Back shall not exceed 10.00% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company for the current financial year under the Board of Directors approval route. Accordingly, the Company has proposed to utilise the maximum amount for Buy-Back amounting to Rs.1,68,00,000 (Rupees One Crore Sixty Eight Lakhs only), excluding the transaction costs viz. brokerage, advisor fees, applicable taxes such as securities transaction tax, goods and services tax, stamp duty etc., which is not exceeding Rs.20,27,310.30/- (Two Crores Twenty Lakhs Twenty-Seven Thousand Three Hundred Ten Rupees and Thirty Paise only) and is within the aforesaid maximum limit of 10.00% of the total paid-up equity capital and free reserves (including securities premium account) of the Company as per audited financial statements of the Company as at and for the half-year ended September 30, 2022.

5.2. Subsequent to the year ended on March 31, 2022, and until the resolution passed by the Board of Directors for the Buyback, the Company has not allotted any equity shares.

5.3. The Company has not issued any equity shares or other specified securities from the date of Board Resolution for the Buy-Back and shall not issue any equity shares or other specified securities including by way of bonus, employees' stock options till the date of expiry of the buyback period (as defined under the Buy-Back Regulations) ("Buyback Period") for the present Buy-Back offer under the Buy-Back Regulations.

*Note: For the purposes of the present Buy-back, the expression 'buyback period' means the period between the date of Board of Director Resolution to authorize the Buy-back of the Equity Shares of the Company and the date on which the payment of consideration to shareholders who have accepted the Buy-back offer is made.

5.4. The proposed Buy-Back will be implemented out of the funds available with the Company or such other source as may be permitted by the Buy-Back Regulations or the Companies Act. The Company confirms that it has got sufficient source to pay of the Buy-Back price and would not borrow funds for the said purpose.

5.5. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buy-Back to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement.

6. DETAILS OF SHAREHOLDING OF PROMOTERS, DIRECTORS OF THE PROMOTER, PERSON IN CONTROL, DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

6.1. The aggregate shareholding of the Promoters/Person Acting in Control and Directors & Key Managerial Personnel of the Company as on the date of this Public Announcement i.e., Saturday, January 14, 2023 ("Notice") is given below:

a) Shareholding of Promoter and Person Acting in Control of the Company:

Sr. No.	Name	No. of Shares held	Percentage
1.	Mr. Ayappan Kalidaiakuruchi Visweswaran	24,65,000	41.08%
2.	Mrs. Sati Teckchand Vaswani	10,80,000	18.00%
	Total	35,45,000	59.08%

b) Aggregate shareholding of Directors and Key Managerial Personnel of the Company:

Sr. No.	Name	Category	No. of Shares held	Percentage
1.	Mr. Ayappan Kalidaiakuruchi Visweswaran	Non-Executive Director and Chairperson	24,65,000	41.08%
2.	Mrs. Muthalakshmi	Director	Ni	0.00%
3.	Mrs. Chitra Sivaramakrishnan	Executive Director	Ni	0.00%
4.	Mr. Arunachalam Kanaga Sabesan	Independent Director	Ni	0.00%
5.	Mr. Manjupet Bhaskar Gopu	Independent Director	Ni	0.00%
6.	Mrs. Revathi Sureshkumar	Independent Director	Ni	0.00%
7.	Mr. Anna Nagar Subramanian Arul Saravanan	Company Secretary & Compliance Officer	Ni	0.00%
8.	Mr. Devaraj Parthiban	Chief Financial Officer	Ni	0.00%

Except Mr. K. V. Ayappan (hereinafter referred to as Non-Executive Director and Chairperson), no other Directors and Key Managerial Personnel holds any shares of the Company. As on the date of PA, Mr. K. V. Ayappan holds 24,65,000 Equity Shares representing 41.08% of the share capital of the Company.

6.2. No equity shares were purchased or sold (either through the stock exchanges or off market transactions) by (i) Promoters, (ii) Persons Acting in Control of the Company, (iii) Directors of the Promoter Company, (iv) Directors and Key Managerial Personnel, during the six (6) months preceding January 12, 2023 being the date of the Board Meeting at which the Buy-Back was approved.

6.3. The Buy-Back will not result in any benefit to the Promoter and Promoter Group or the persons acting in control of the Company or any Directors and Key Managerial Personnel of the Company except to the extent of the cash consideration received by them from the Company, pursuant to their respective participation in the Buy-Back in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buy-Back, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buy-Back.

7. INTENTION OF THE PROMOTERS/ PERSON IN CONTROL OF THE COMPANY AND PROMOTER GROUP TO TENDER EQUITY SHARES FOR BUY-BACK INDICATING THE NUMBER OF SHARES, DETAILS OF ACQUISITION WITH DATES AND PRICE:

7.1. In terms of the Buy-Back Regulations, under the tender offer route, the Promoters of the Company have an option to participate in the Buy-Back. The Promoters have expressed their intention vide letter dated January 11, 2023 to participate in the Buy-Back up to their entitlement.

8. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUY-BACK REGULATIONS AND THE COMPANIES ACT

8.1. The Company has neither accepted any public deposits nor issued any debentures or preference shares till date. The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

8.2. All the equity shares which the Company proposes to Buy Back are fully paid up.

8.3. The Company will not Buy-Back its shares so as to delist its shares from the Stock Exchange.

8.4. The Company shall not issue any equity shares or other specified securities (including by way of bonus and employees' stock option) during the Buy-Back Period.

8.5. The Company shall not raise further capital for a period of 1 (one) year from the expiry of the Buyback Period (as defined earlier), except in discharge of its subsisting obligations.

8.6. The Board resolution approving the Buy-Back will be valid for a maximum period of 1 (one) year from the date of passing the said Board Resolution (or such extended period as may be permitted under the Companies Act or the Buy-Back Regulations or by the appropriate authorities). The exact time table for the Buy-Back shall be decided by the Board (or Buy-Back Committee) within the above time limits.

8.7. The Equity Shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance.

8.8. The Company shall not withdraw the Buy-Back after the Draft Letter of Offer is filed with SEBI or the Public Announcement of the offer to Buy-Back is made. The Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the SEBI Buyback Regulations and any other applicable laws for the time being in force.

8.9. The Company shall not Buy-Back locked-in equity shares and non-transferable Equity Shares till the pendency of the lock-in or till such Equity Shares become transferable.

8.10. The Company shall not Buy-Back 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.

8.11. The Company shall not directly or indirectly purchase its own equity shares through (i) any subsidiary company including its own subsidiary companies, if not or, (ii) through any investment company or group of investment companies.

8.12. The aggregate amount of the Buy-Back of Rs.1,68,00,000.00/- (Rupees One Crore Sixty Eight Lakhs only), excluding the transaction costs viz. brokerage, advisor fees, applicable taxes such as securities transaction tax, goods and services tax, stamp duty etc., for the Buy-Back, is not exceeding Rs.2,02,73,103.00/- (Two Crores Twenty Lakhs Twenty-Seven Thousand Three Hundred Ten Rupees and Thirty Paise only) which is within the aforesaid maximum limit of 10.00% of the total paid-up equity capital and free reserves (including securities premium account) of the Company as per audited financial statements of the Company as at and for the half-year ended September 30, 2022.

8.13. The number of Equity Shares proposed to be purchased under the Buyback i.e., 6,00,000 (Six Lakhs only) Equity Shares does not exceed 10.00% of the total number of Equity shares in the existing total paid-up equity share capital of the Company and of the total paid-up equity share capital of the Company for the half-year ended September 30, 2022.

8.14. The funds borrowed from banks and financial institutions will not be used for the Buy-Back.

8.15. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buy-Back (or such other higher ratio of the debt to capital and free reserves for the Company that has been notified under the Companies Act) (as on date no such higher ratio having been prescribed by the Companies Act).

8.16. The Company shall not make any offer of Buy-Back within a period of 1 (one) year reckoned from the date of expiry of the Buyback Period of the current buy-back offer.

8.17. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act.

8.18. There are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act ("Scheme") involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme.

8.19. The Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI Listing Regulations.

9. CONFIRMATIONS FROM THE BOARD

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

9.1. Immediately following the date of the Board Meeting convened for approving the Buy-Back i.e., January 12, 2023 there will be no grounds on which the Company could be found unable to pay its debts;

9.2. As regards the Company's prospects for the year immediately following the date of the Board Meeting i.e., January 12, 2023, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one (1) year from that date of Board Meeting; and

9.3. In forming their opinion 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 and Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

10. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITORS ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated January 12, 2023, received from TSG & Associates, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below. Date: 12/01/2023 To, The Board of Directors

Abirami Financial Services (India) Ltd
Old No. 11, New No. 2,
Parthasarathyapuram, 2nd Street,
T.Nagar, Chennai-600017

Subject: Buyback of equity shares of Abirami Financial Services (India) Ltd

1. This Report is issued in accordance with the terms of our service scope.

2. In connection with the proposal of Company to buyback its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("Act") and Buyback Regulations and in terms of the resolution passed by the Board of Directors of the Company in their meeting held on January 12, 2023, ("Board Meeting"), we have been engaged by the Company to prepare 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 buyback of Equity Shares ("Statement"), as set out in Annexure A hereto, initiated 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 Buyback 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 financial statements for the half year ended 30th September 2022;

ii. If the amount of permissible capital payment (including premium) as stated in Annexure A for the proposed buyback of equity shares, has been properly determined considering the audited standalone financial statements of the Company as at and for the half year ended 30th September 2022 in accordance with Section 68(2) of the Act; and Regulation 5 of the Buyback Regulations; and

iii. Whether the Board of Directors in their meeting dated January 12, 2023 has formed the opinion, as specified in Clause (x) of Schedule I to the Buyback 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 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 January 12, 2023. 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. These 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 (SOC) 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 Rs. 1,68,00,000 (Rupees One Crore Sixty-Eight Lakhs only) for the buyback of 6,00,000 equity shares in question does not exceed the permissible capital payment which is Rs. 2,20,27,310.30/- (Rupees Two Crores Twenty Lakhs Twenty Seven Thousand Three Hundred Ten and thirty paise only) as determined in the statement of determination of the permissible capital payment towards buyback 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 January 12, 2023 have formed the opinion, as specified in clause (x) of Schedule I of the Buyback 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 the Board Meeting Resolution dated January 12, 2023.

Restriction on Use

This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback 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 Buyback 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 TSG & ASSOCIATES

Chartered Accountants
(FRN: 013133S)
T.S.GOBINATHAN
Proprietor

Membership No.: 025094
UDIN: 23025094BGWJAG7667
Place: Chennai
Date: January 12, 2023

Annexure A

Statement of determination of the permissible capital payment (including premium) towards buyback of equity shares ("Statement") in accordance with Section 68(2) of the Companies Act, 2013.

Particulars	Amount (Rs)	Amount (Rs)
Total paid-up share capital as on September 30, 2022 based on the audited standalone financial statements of the Company [A]		6,00,00,000.00
Free reserves, comprising of		
- Securities premium account	-	
- Surplus / (Deficit) in the statement of profit and loss	15,52,27,476.00	
- General Reserves	50,45,627.00	
Total free reserves [B]		16,02,73,103.00
Total paid-up share capital and free reserves (sum of A & B)		22,02,73,103.00
Maximum amount permissible for buyback under Section 68 of the Act, i.e. 10% of the total paid up capital and free reserves		2,20,27,310.30

11. RECORD DATE AND SHAREHOLDER'S ENTITLEMENT

11.1. As required under the Buy-Back Regulations, the Company has fixed Friday, January 27, 2023, as the record date (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. The Equity Shares proposed to be bought back by the Company shall be divided into two categories viz. (a) reserved category for small shareholders and (b) the general category for all shareholders.

11.2. As defined in the Buy-Back Regulations, a "Small Shareholder" is an Eligible Seller who holds Equity Shares having market value, on the basis of closing price of the Equity Shares on the Stock Exchanges, having the highest trading volume in respect of such Equity Shares as on Record Date, of not more than Rs.2,00,000/- (Rupees Two Lakhs only).

11.3. 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.

11.4. On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each shareholder, 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 shares the Company will purchase from each Eligible Seller will be based on the total number of shares tendered. Accordingly, the Company may not purchase all of the shares tendered by the Eligible Sellers in the Buy-Back.

11.5. 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 offer by Eligible Sellers in that category, and thereafter from Eligible Sellers who have tendered over and above their entitlement in other category.

11.6. In order to ensure that the same Eligible Seller with multiple demat accounts/folios do not receive higher entitlement under Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number ("PAN") shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buy-Back. In case of joint shareholding, the Equity Shares held in cases where the sequence of PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Sellers holding Physical Shares where sequence of PAN is identical and where the PANs of all joint shareholders are not available, the registrar will check the sequence of the names of the joint shareholders and club together the Equity Shares held in such cases where the sequence of the PANs and the name of the joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN shall not be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of 'clearing members' or 'corporate body margin account' or 'corporate body-broker' as per the beneficial position data as on the Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

11.7. The participation of the Eligible Sellers in the Buy-Back is voluntary. Eligible Sellers may opt to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback, or they may opt not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the buyback, without any additional investment. Eligible Sellers may tender a part of their entitlement. Eligible Sellers 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 Eligible Sellers, if any. If the Buy-Back

entitlement for any shareholder is not a round number, then the fractional entitlement shall be