



SimplyBuyback

Advisory and end-end support for buyback of shares

 **SimplyBiz**
Simplify | Scale up | Succeed

A product by **SimplyBiz**

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It's our cup of tea

About Us



SimplyBiz is a multidisciplinary professional services firm with competency in Finance, Legal, Accounting, Tax & Compliance.

SimplyBiz's services are delivered by our team of professionals who have deep-dive knowledge, rich experience, rational strategies and work with a client-centric approach. We manage your transaction through **technology**. We aim to ensure that the bandwidth of your key resources is free from managing support functions and you spend more time on your core business activities.

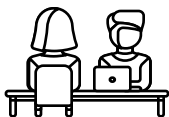
To know more about us, visit www.simplybiz.in

SimplyBuyback

SimplyBuyback provides advisory and end-end support for buyback of shares.



Scope of work



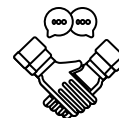
Advisory & Guidance

Advising and guiding you to take right decisions



Compliance

Undertaking compliance and reporting to Regulators



Support

Convening Board and General Meetings



Drafting

Offer documents, declarations, compliance documents




Monitoring

Arranging valuation Reports and support in arriving at consideration



Valuation

Monitoring the offers, process and payment of consideration



“The companies in which we have our largest investments have all engaged in significant stock repurchases at times when wide discrepancies exist between price and value. As shareholders, we find this encouraging and rewarding.”

- Warren Buffet

What is Buyback?

Buy-Back is a corporate transaction in which a company purchases its shares from the existing shareholders.

Buyback of shares is a complex and compliance driven transaction. Simply **Buyback provides comprehensive advisory and compliance support** under the Companies Act, 2013, Foreign Exchange Management Act (FEMA), and Income Tax Act for buy-back transactions. Our assignment encompasses understanding the objective of the client, advising on the eligibility criteria and audit requirements, arriving at the extent of shares that can be bought back, assessment of the available sources of buyback and ensuring compliances under the Companies Act and FEMA



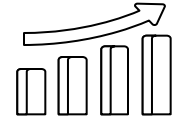
Considerations for Buyback



Return **excess capital** to shareholders



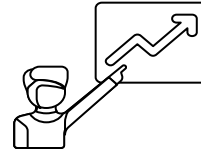
Consolidate **ownership**



Boost key financials **ratios**

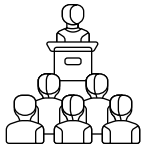


Discover **real value** of shares

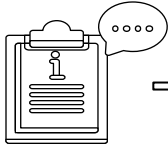


Increase promoter **shareholding**

Stages of Buyback



Approvals by the **Board Meeting** and Shareholders in **General Meeting**



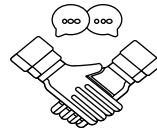
Record date and determination of shareholders entitled for Buyback offer



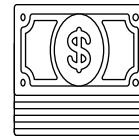
Sending **offer letters** to the shareholders



Opening of offer



Closing of offer



Payment of **consideration**



Post closure **compliances**



Eligibility Norms



Authorisation

From Articles of Company



Active Compliance

In Regulatory filings and disclosures



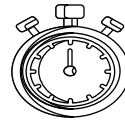
No defaults

In payments of dividends, debentures, loans to Banks/Institutions



Source of Funds

- ✓ Free Reserves
- ✓ Balance in Securities Premium
- ✓ Proceeds of fresh issue



One year

Has lapsed from last buyback



Fully Paid-up

Shares only can be bought back

Permissable Limits

Approval of Board

10%

Of Paid-up Capital +
Free Reserves



25%

Of Paid-up Capital +
Free Reserves

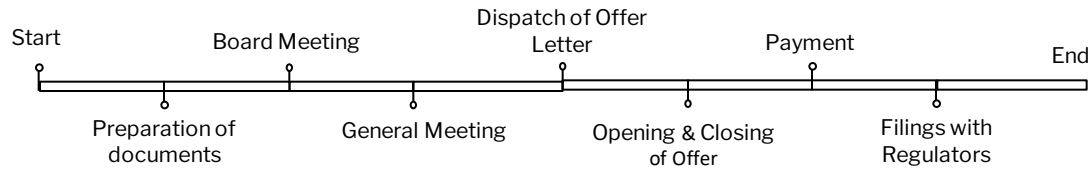
Approval of shareholders

Buyback of shares cannot exceed **twenty-five per cent** or less of the aggregate of paid-up capital and free reserves of the company in a financial year.

Timelines

45 - 60

Working days*



* Above mentioned period is tentative and can be changed as per the requirements of the Company

Our Work

“Simplybiz has always been the “GO TO” experts for Digital for all secretarial, company law and FEMA matters. Vanaja is always prompt in understanding the query as well as probing the reasons for the query to get the full context which ensures that her team delivers it right every time. When Digital was evaluating Buyback, Raghu ensured that Simplybiz team guided us on all aspects including documentation and filings. Simplybiz team endeavored for the Buyback process to be completed on time and without glitch even for the overseas shareholders.”



Innovation Driven

- **Sanjog Jain**

CFO, Digital Private Limited

Our Plans

Plan A

**Advisory to verify
the eligibility to
check for
Buyback**

@ Rs. 50,000/-

Plan B

**Advisory,
Drafting of
documents and
Compliances**

**Unlisted Co :
@ Rs. 1,00,000/-**

**Listed Co :
@ Rs. 2,00,000/-**

Plan C

**Drafting of
documents and
Compliances
under respective
Acts**

**Unlisted Co :
@ Rs. 1,50,000/-**

**Listed Co :
@ Rs. 2,50,000/-**

Our Team

CS PRABHAKAR

Advisor and Senior Consultant having over three decades of rich and varied experience in the areas of Corporate Secretarial, legal and Banking fields.

CS VANAJA KALERU

Team Lead having over 15 years of expertise in corporate laws, compliance audit and compliance management.

KARTHIK BHAT

Executive having year long exposure in corporate transactions and regulatory compliances

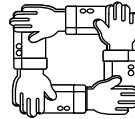




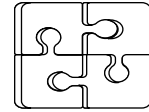
Our Other Products



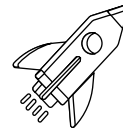
SimplyCorp



SimplyFACT



SimplySet-Up




SimplyTransact

Advantages of engaging with us

 **Diligent** ready approach

 Client **dashboard** for monitoring

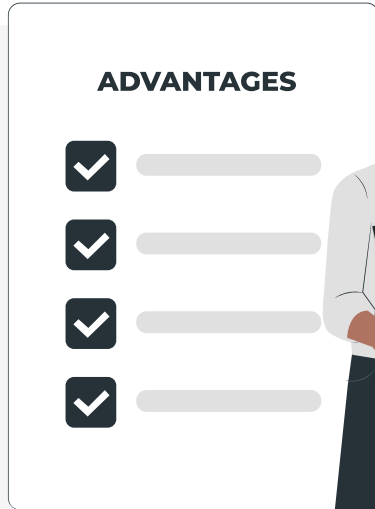
 **Quality** assurance with committed TAT

 Committed and Agile **Team**

 Technology driven for better **execution**

 **Cloud** based repository

 Regulatory **compliant** assurance



Case Study

About the Client:

The Client provides cloud communication platform to enable telecom companies and enterprises to automate digital customer experience and interactions. The client has a global presence and it renders services to some of the largest companies in the western part of world.

Our Association and Work

Our team has been associated with this client for almost **two decades** and we truly value our association. We have been providing Corporate Governance & Secretarial support to the client under Companies Act and Foreign Exchange Management Act (FEMA) as a part of our ongoing Retainer engagement.

The company has been performing exceedingly well and built reserves of over **Rs. 100 crores** over these years. In the Financial Year 2021-22, the Company explored the idea of buy back with an intent to return some part of the surplus to its Holding company situated in Dubai as it had no further project investment plans. In this regard, we were approached to take up the assignment.

Case Study

Our team undertook the following activities relating to buy-back:

- ✓ Analyzed the Financial statements of the company to check the eligibility criteria
 - ✓ Advised the client on structuring the buyback
- ✓ Undertook the preparation of all documents relating to buy back including the offer documents, tender forms, Board meeting and General Meeting related documents.
 - ✓ Completed the reporting requirements as per Companies Act and FEMA

Challenges face & addressed

- ❑ The company being in existence for more than 30 years, it had multiple foreign stakeholders for whom the reporting requirements at the time of share issuance under FEMA were to be verified before initiating buy back. Also, there were many checks to be undertaken relating to share transfers during the past years.
- ❑ As per the provisions of Companies Act, there is a requirement of transferring the nominal value of shares so purchased to the Capital Redemption Reserve Account. We faced a dilemma on the question of charging the amount from either Securities Premium account or General Reserves

Case Study

Conclusion

Our team having complete knowledge of buy back and backed by their experience successfully completed the transaction involving buy back of **more than 20 lakh shares within the time limit of 65 days**. Our extensive experience of handling similar assignments for various companies has given us considerable exposure of the critical aspects to be looked into in the process



Thanks

Do you have any questions?

Reach out to us at:

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Simplybiz.in

