

# SAPTAK CHEM AND BUSINESS LIMITED

Regd. Office: 201 Chiranjiv Complex Mahalaxmi Five Road, Paldi, Ahmedabad-380007

Contact No.: + 917778878401 Website: www.saptakchem.com

Email id: munakchem1980@gmail.com CIN: L24299GJ1980PLC101976

## REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF SAPTAK CHEM AND BUSINESS LIMITED ("COMPANY") RECOMMENDING THE DRAFT SCHEME OF REDUCTION OF SHARE CAPITAL OF THE COMPANY AT ITS MEETING HELD ON WEDNESDAY 19<sup>TH</sup> DAY OF JANUARY, 2024 AT 201 CHIRANJIV COMPLEX, MAHALAXMI FIVE ROAD, PALDI, AHMEDABAD, GUJARAT, 380007

Members Present:

Name	Category	Designation
Chirag Nanavati	: Independent Director	: Chairperson
Bhoomi Patel	: Independent Director	: Member
Sonal Gandhi	: Independent Director	: Member

### 1. BACKGROUND

The meeting of the Independent Directors of the Company was held on Wednesday 19<sup>th</sup> Day of January, 2024 to consider and recommend the draft scheme of capital reduction of Saptak Chem And Business Limited in terms of the provisions of section 66 of Companies Act, 2013("Scheme"),(including any statutory modification(s) or re-enactment thereof for the time being in force and the rules made there under (the "Act"), Regulation 37 of SEBI (LODR) Regulation, 2015 and specifically the Hon'ble National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("Reduction Rules"), which permits the Company to undertake a reduction of its share capital.

This report of the Independent Directors of the Company is made to comply with the requirements as per SEBI Master Circular SEBI/HO/CFD/POD -2/P/CIR/2023/93 dated June 20, 2023 (Master Circular), issued under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The following documents were placed before the Independent Directors of the Company;

- Draft Scheme of Reduction of Capital;
- Audited Financial Statement of the Company for the year ended March 31, 2023 and report of the Statutory Auditor thereon;
- Certificate obtained from Sejal Ronak Agrawal, Registered Valuer dated January 19, 2024 with respect to non-applicability of Valuation report, pursuant to exemption provided in para-4 of Part I of the SEBI Master Circular
- Fairness opinion dated January 19, 2024 obtained from GYR Capital Advisors Private Limited, a SEBI registered merchant banker ("Fairness Opinion");
- Draft Certificate from M/s. Aniket Goyal & Associates, Chartered Accountants, the Statutory Auditor of the Company dated January 19, 2024 confirming that the compliance of the accounting treatment in the Scheme;
- Draft undertaking certificate from the Statutory Auditor regarding non applicability of obtaining approval from the public shareholders through e-voting, as required under Para (A)(10)(a) and Para (A)(10)(b) of Part I of the SEBI Circular.
- Other Annexure for the draft scheme of Reduction of Capital.

*e. k. Nanavati*



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- The sanctions of the Tribunal under sections 66 of the Act in favor of the Company and the necessary order being obtained.
- Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Company.

### 3. PROPOSED SCHEME

- The writing off the losses has become inevitable for growth of the company and its shareholders.
- The reduction of capital in the manner proposed would enable the company to have rational structure which is commensurate with this remaining business and assets

Hence, the proposed reduction will be for the benefit of the company and its respective members, creditors and employees.

#### 3.1 IMPACT OF THE SCHEME ON THE SHAREHOLDERS:

- a) The proposed reduction of the equity share capital of the Company is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013 and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the SEBI Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR" / Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR") and the SEBI Circular (as defined hereinafter).
- b) The Scheme is considered necessary to undertake a scheme of Capital Reduction so as to give a true and realistic view of the value of the shares and present liner balance sheet of the Company
- c) The proposed reduction of the equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to full fill its commitments or meet its obligations in the ordinary course of business.
- d) The company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write off part of the debit balance in Profit & Loss account to the extent of Rs. 9,65,90,450 (Rupees Nine Crores Sixty-Five Lakh Ninety Thousand Four Hundred Fifty Only) by reduce its fully paid-up equity share capital from Rs. 10,73,22,720 (Rupees Ten Crores Seventy-Three Lakh Twenty-Two Thousand Seven Hundred Twenty Only) divided into 1,07,32,272 (One Crore Seven Lakhs Thirty-Two Thousand Two Hundred Seventy-Two Only) equity shares of Rs. 10.00 each, (Rupees Ten Only) each to Rs. 1,07,32,270 (Rupees One Crore Seven Lakh Thirty-Two Thousand Two Hundred Seventy Only) divided into 10,73,22,700 (Ten Lakh Seventy-

*C. K. Nanavati*

