

SCHEME OF REDUCTION OF SHARE CAPITAL

BETWEEN

SAPTAK CHEM AND BUSINESS LIMITED

AND

ITS SHAREHOLDERS

**UNDER SECTION 66 AND OTHER APPLICABLE SECTIONS OF THE COMPANIES
ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR
REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**



PREAMBLE OF THE SCHEME:

This Scheme of Reduction of Share Capital is presented by Saptak Chem and Business Limited) (“the Company” or “SCBL”), pursuant to the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 (“the Act”) and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 (‘Scheme’).

The purpose of the Scheme is Reduction of Equity Share Capital under the provisions of Section 66 and other applicable provisions of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for Reduction of share capital of the Company) Rules, 2016 to undertake financial restructuring and reconstruction of the Company whereby the Company would write off major part of total carried forward accumulated losses of past years by reduction of its paid-up equity shares capital, so as to give a true and realistic view of the value of the shares and present liner balance sheet of the Company. This has given rise to the need to re-adjust the relation between capital and assets and reflect the liabilities and assets of the Company accurately and fairly in its books of accounts and also to operate with a leaner base balance sheet.

PARTS OF THE SCHEME OF REDUCTION OF SHARE CAPITAL:

The Scheme is divided into the following paragraphs

1. **PART 1** - which deals with the Definitions and Interpretations;
2. **PART 2** - which deals with details of the Company (including its capital structure);
3. **PART 3** - which deals with reduction of share capital of the Company;
and
4. **PART 4** - which deals with the General Clause, other Terms and Conditions



PART 1 — DEFINITIONS AND INTERPRETATIONS

1.1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- a. **"Accumulated Losses"** shall mean the losses that have been brought forward from previous years and having such amount as shown in the Audited Standalone Financials of the Company as on March 31, 2023;
- b. **"Act"** or **"the Act"** means the Companies Act, 2013 and shall include any rules, regulations, orders, statutory modifications, enactments or re-enactments thereof for the time being in force;
- c. **"Applicable Laws"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to the Company;
- d. **"the Company"** or **"SCBL"** means SAPTAK CHEM AND BUSINESS LIMITED, being a Company incorporated on 12th March, 1980 under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L24299GJ1980PLC101976 and currently its registered office is situated at 201 Chiranjiv Complex, Mahalaxmi Five Road, Paldi, Ahmedabad, Gujarat, 380007;
- e. **"Board"** or **"Board of Directors"** means Board of Directors of the Company including any duly constituted committee(s) thereof;
- f. **"BSE"** shall mean BSE Limited;
- g. **"Effective Date"** means the date on which the certified copy of the order of the National Company Law Tribunal, Ahmedabad Bench under Section 66



of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), is filed with the Registrar of Companies, Gujarat. Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";

- h. **"Equity Shares"** means fully paid-up equity shares of Rs. 10/- each issued by the Company;
- i. **"Listing Agreement"** shall mean an agreement that is entered into between a recognized Stock Exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designated securities as per the provisions of the Listing Regulations;
- j. **"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- k. **"NCLT or "Tribunal"** means National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Act.;
- l. **"Record Date"** shall mean the date to be fixed by the Board of Directors of the Company for reckoning the shareholding of the equity shareholders which shall be reduced upon coming into effect of this Scheme;
- m. **"ROC"** means Registrar of Companies, Gujarat;
- n. **"Rules"** means National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016;
- o. **"Scheme" or "this Scheme" or "the Scheme"** means the present Scheme of Reduction of Share Capital between the Company and its Shareholder in its



present form or with such alterations(s)/modification(s) as may be approved, imposed or directed by NCLT;

- p. "SEBI" means Securities and Exchange Board of India;
- q. "SEBI Circular"-means SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR /2023 /93 dated June 20, 2023 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- r. "Shareholders" or "the Shareholder" means a person registered (whether registered owner of the shares or the beneficial owner of shares) as holders of the equity share capital in the Register of members of the Company. The word "Shareholder" and / or "Member", wherever mentioned, are used to denote the same meaning and are used interchangeably;
- s. "Stock Exchange" means the stock Exchange where the equity shares of the Company are listed and admitted to trading i.e. BSE Limited.

All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement or other Applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re-enactment thereof, from time to time.

1.2 INTERPRETATION

In this Scheme, unless the context otherwise requires:

- a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), government, state or agency of state, unincorporated entities, joint venture, associations, partnerships and proprietorship;



- b. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- c. reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme; references to one gender includes all genders;
- d. any phrase introduced by the terms "including, include, in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; words denoting singular shall include the plural and vice versa;
- e. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- f. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- g. word(s) or expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- h. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- i. references to dates and times shall be construed to be references to Indian dates and times.



PART 2 — DETAILS OF THE COMPANY

2.1 INCORPORATION OF THE COMPANY

The Company was incorporated as a limited Company under the name and style "**Munak Chemicals Limited**" on March 12, 1980 with the Registrar of Companies, Chandigarh under the Companies Act, 1956. Subsequently, Company has changed its name and consequently, name was changed to "**Saptak Chem and Business Limited**" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Chandigarh on October 25, 2017.

The Registered Office of the Company, currently situated at 201 Chiranjiv Complex, Mahalaxmi Five Road, Paldi, Ahmedabad, Gujarat, 380007. The Corporate Identification Number (CIN) of the Company is L24299GJ1980PLC101976.

The Equity shares of Company is listed on BSE Limited (BSE).

This Scheme of reduction of Share Capital (hereinafter referred to as "**the Scheme**") is made pursuant to the provisions of Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and provides for writing off the Accumulated Losses against the share capital Account.

2.2 MAIN OBJECTS OF THE COMPANY

The main objects of the Company as set out in the Memorandum of Association are as follows:

- a) To carry on the business of manufactures, importers, exporters and dealers in all kinds of organic and inorganic chemicals and chemical products of every nature and description and compounds, intermediate derivatives and bye-products thereof and products to be made therefrom including specifically silicates, caustic soda, soda ash, acids, such as Phosphoric Acid, Hydrochloric Acid, Sulphuric Acid, Nitric Acid etc. ether, ethyl chloride,



plastics, resins, dye-stuffs, food-direct colors, basic and rapid fast colors, pigments, products derived from phosphate mines, lime stone quarries, bauxite mines and other natural deposits useful or suitable in the manufacturing of chemicals and chemical products.

- b) To carry on the business of manufactures, importers, exporters and dealers in all types of fertilizers both granulated and non-granulated such as single-super-phosphate Ferric Alumina, Ammonium Sulphate potash etc.
- c) To carry on the business of chemists, analytical chemists, dry salters' oils and colorless, water proofing foundries and factories of ferrous and non-ferrous metals, smiths and metal washers, painters, metallurgists and gas-makers.
- d) To carry on the business of manufactures, importers, exporters and dealers in all kinds of instruments, appliances, devices and tools used in or in connection with any business of Company and all motors, machinery, mechanical, electrical and scientific apparatus and devices of every description connected therewith.
- e) To adopt and carry into effect so far as the Company is concerned the promotional agreement dated 05th March, 1980 including any modification thereof made between Agriculture Sales Corporation Patiala through their authorised partners Sh. Ravinder Kumar s/o Sh Mukand Lal Azad and Smt. Nirmal Gupta w/o Sh. Rajeshwar Kumar Gupta residents of Dharampur Bazar Patiala of the one part and Sh. R.K. Garg s/o Sh. Hans Raj Garg resident of Kothi No. 763 Sector 8-B Chandigarh of the other part and also to adopt and/or enter into and carry into effect technical and/or advisory and/or service agreement with any other person or persons complementary and/or supplementary to the said promotional agreement made or to be made with such modifications as may be agreed upon and as may be necessary for carrying out of the Objects of the Company .



- f) To lend, lease, sell, import, export or otherwise deal in technical know-how of the Company against consideration in money or money's worth and/or against royalty receipts or lumpsum considerations in money's worth.

2.3 CAPITAL STRUCTURE OF THE COMPANY

The Capital Structure of the Company as per the Audited Standalone financial statements as on March 31, 2023 is as under:

Particulars	Amount in Rs.
Authorized Share Capital 1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000
Total	11,00,00,000
Issued & Subscribed Capital 1,07,32,272 Equity Shares of Rs. 10/- each	10,73,22,720
Total	10,73,22,720
Paid-up Share Capital 1,07,32,272 Equity Shares of Rs. 10/- each	10,73,22,720
Total	10,73,22,720

There is no subsequent change in capital structure of the Company as on date of filing of this Scheme subsequent to 31.03.2023 and upto the date of approval by the Board of Directors of the Company, there has been no change in the Authorized, Issued, subscribed and paid-up share capital of the Company. The Company does not have any partly paid—up Equity Shares. Further, the Company has its Equity- Shares listed on BSE.

2.4 COMPLIANCE WITH TAX LAWS

The Scheme has been drawn up to comply with the provisions of the Income-tax Act, 1961 to the extent applicable. If any terms or the provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Act at a later date including resulting from a retrospective amendment of law



or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to that extent determined necessary to comply with the provisions of the Income-tax Act, 1961.

2.5 FINANCIALS OF THE COMPANY

Particulars	Financial Year ended March 31, 2022 (Amount in Rs.)	Financial Year ended March 31, 2023 (Amount in Rs.)
Total Current Assets	70,23,557	102,58,288
Total Current Liability	84,56,229	80,85,878
Reserve & Surplus	(12,87,39,110)	(12,86,80,868)

2.6 PROMOTERS AND DIRECTORS

a. The names of the promoters of the Company as on the date of approval, along with their addresses are set forth below:

Sr. No.	Name	Promoter / Promoter Group	Address
1	Rita Garg	Promoter	House No. 115 sector 9 B, Chandigarh Sector 9, Chandigarh 160009
2	Alpha Antibiotics Limited	Promoter	House No 74, Sector 7 Panchkula Distt, Ambala, Haryana 134109
3	Munak Engineers Pvt. Ltd.	Promoter	House No. 115 sector 9 B Chandigarh, U T, Chandigarh, India, 160009
4	Keshoram Leasing Ltd	Promoter	House No. 115 Sector 9 B Chandigarh, U T, Chandigarh, India, 160009



b. The names of the directors of the Company as on the date of approval of the Scheme along with their addresses are set forth below:

Sr. No.	Name of Director	DIN	Designation	Address
1	Manthan Rajeshbhai Bhavsar	05208214	Managing Director	24, Mahechha Society, Isanpur, Ahmedabad - 382443, Gujarat
2	Rohitkumar Parikh	07394964	Managing Director	F/2, Shakuntala Apartment, Opposite ITI College, Prabha Road, Godhra, Panch Mahals 389001
3	Sonal Deepalbhai Gandhi	08196966	Non – Executive, Independent Director	B/88 Ghanshyam Nagar, Canal Road, Ghodasar, Ahmedabad, Gujarat 380050
4	Bhoomiben Patel	07351479	Non – Executive, Independent Director	A-10, ashapuri flats, opp. State bank of India, Jivrajpark, Ahmedabad, Gujarat - 380051
5	Chirag Kirtikumar Nanavati	08316893	Non – Executive, Independent Director	48, Rajmani Society, Makarpura, Vadodara, Guajrat-390014



2.7 OTHER DISCLOSURES

- a. No investigations or proceedings have been instituted and are pending against the Company under the Act.
- b. The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- c. The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees of the Company. The Company does not have any depositors and debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.
- d. The benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board, are mentioned in this Scheme.



PART 3 — REDUCTION OF SHARE CAPITAL OF THE COMPANY

3.1 RATIONALE AND PURPOSE OF THE REDUCTION

- a. The Company's financial statement currently reflects Accumulated Losses (debit balance of Profit & Loss Account) to the tune of Rs. 12,86,80,868 (Rupees Twelve Crores Eighty-Six Lakhs Eighty Thousand Eight Hundred and Sixty-Eight Only) based on Audited Standalone financial Statements for the year ended March 31, 2023. The present issued, subscribed and paid-up share capital of the Company is Rs. 10,73,22,720 (Rupees Ten Crores Seventy-Three Lacs Twenty-Two Thousand Seven Hundred Twenty only) comprising of 1,07,32,272 Equity Shares of Rs.10/- each. Accumulated Losses have substantially wiped off the value represented by the Share Capital.
- b. In order to re-align the relation between capital and assets; and to accurately and fairly reflect the assets and liabilities of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the Accumulated Losses against Share Capital in accordance with the provisions of Sections 66 of the Companies Act, 2013, and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions.
- c. In such circumstances, it is desired that the capital structure of the Company should be reorganized. Hence, the Board of Directors has decided that accumulated losses should be written-off to maximum possible extent, i.e. the Paid-up Equity Shares Capital of the Company be reduced by Rs. 9,65,90,450.
- d. In the above context, the Company proposes to write off Accumulated Losses of Rs.9,65,90,450 (Rupees Nine Crores Sixty-Five Lakh Ninety Thousand Four Hundred Fifty Only) reflecting in the Audited Standalone financial statements of the Company as on March 31, 2023 with the share capital of the Company.



- e. By virtue of article 06 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Act.
- f. The reduction envisaged under this Scheme will not result in any change in the shareholding of the Members of the Company and would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its obligations in the ordinary course of business.
- g. 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.
- h. The Scheme does not provide any cash pay out to affect the Reduction of Capital, therefore the scheme will not adversely affect the liquidity and/or financial position of the Company.
- i. The company has historically incurred losses and has accumulated a debit balance in its Profit and Loss Account; representing legitimate business expenses and operational losses incurred by the company in the ordinary course of its business over a period of time; Since, this Scheme of capital reduction aims to streamline the company's capital structure, enhance financial efficiency, and improve its overall financial health, therefore, it is hereby justified that the debit balance existing in the Profit and Loss Account as of is a result of prudent business decisions, operational requirements.
- j. Hence, the Board of Directors believe that in order to present a fair position of the affairs of the Company, the most practically and economically efficient option available to the Company, subject to the confirmations/sanction as of the requisite majority of the Shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.



3.2 OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME –

- a. Under this Scheme, if approved, the books of the Company would better represent its financial position which would help the Company position itself better in the market and undertake business activities efficiently. This would be value accretive to the Shareholders as well, as their holdings would yield better results.
- b. The adjustment would not have any impact on the shareholding pattern and the capital structure of the Company.
- c. The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including the form of dividend payments, in terms of the applicable laws.
- d. The Scheme, if approved, may enable the Company to explore opportunities that it was unable to take advantage of because of it experiencing Accumulated Losses.
- e. The Scheme of reduction, after full implementation, will result in making the Company's balance sheet leaner and downsized. The proposed Scheme would be for the overall benefit of the Company, its creditors, its Shareholders and all other stakeholders.
- f. The reduction of the Paid—up share capital of the Company by way of adjustment/set off of the Accumulated Losses against the paid-up share capital of the Company. It does not result in extinguishing of any liability or diminution of any liability.
- g. The Scheme, if approved, would provide greater flexibility to the Company in raising funds either from the capital market or from any bank/ financial institutions in the form of equity or debt, depending on the business needs of the Company.



- h. The reduction of capital in the manner proposed would enable the Company to have commensurate with its remaining business and assets.
- i. The proposed reduction will be for the benefit of the and its Company shareholders, creditors and all concerned as whole.
- j. The reflection of the true financial statement of the Company would ensure the Company to attract a new source of revenue.
- k. The Scheme will enable the Company to overcome its financial difficulties and improve its work in the future and in turn enhancement of its shareholder's value.
- l. The financial structuring will help the Company to reflect better its operational efficiency, and improvements in the future years and reflect the true share value.
- m. The consent of the Shareholders of the Company to this Scheme of reduction of Share Capital of the Company shall be taken through a resolution under the provisions of Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable).
- n. The Scheme is merely a reduction in the Share Capital of the Company prepared in terms of Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and does not envisage transfer, conveyance or vesting of any of the properties and/ or liabilities of the Company to any person or entity.
- o. Consequently, the order of NCLT approving the scheme would not attract any stamp duty in this regard under the applicable provisions of the Indian



Stamp Act, 1899 or the Bombay Stamp Act, 1958 applicable to the State of Gujarat.

3.3 APPROVAL OF THE EQUITY SHAREHOLDERS

The scheme is required to be approved by the equity shareholders of the Company, by way of special resolution, pursuant Section 66 of the Companies Act, 2013, through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.

It is clarified that the approval of the members of the Company to the Scheme shall be deemed to be their consent approvals also to the alteration of the Memorandum and Article of Association of the Company and consent / approval to any other applicable provisions as may be required under the Act or any other applicable laws, rules and regulations.

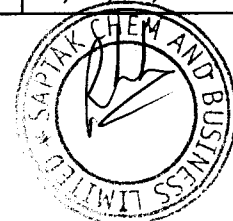
3.4 EFFECTS OF THE SCHEME

- a. The Company has incurred Rs.12,86,80,868 (Rupees Twelve Crores Eighty-Six Lakh Eighty Thousand Eight Hundred and Sixty-Eight Only) accumulated losses as per the last audited balance sheet i.e. as on 31st March, 2023.
- b. Upon the Scheme becomes effective and after obtaining the necessary approvals, consent, permissions, the Subscribed, Issued and Paid -up Equity Share capital of the Company shall stand reduced 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 10,73,227 (Ten Lakh Seventy-Three Thousand Two Hundred Twenty-Seven) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The aforesaid reduction of paid-up equity share capital shall be affected by cancelling 96,59,045 equity shares of the Company.



- c. For the sake of brevity, it is clarified that the reduction of capital does not involve diminution of any liability in respect of unpaid capital of the Company, if any and nor is there any payment on the reduction of share capital. No additional amount shall be called from any of the existing shareholders after capital reduction.
- d. The scheme does not involve any conveyance or transfer of any property of the Company and consequently the order of the Hon'ble National.
- e. Upon this Scheme becoming effective, the Company shall, without any further application, act, instrument or deed, give effect to the Capital Reduction and the revised structure of the share capital of the Company shall be reflected in the books of accounts of the Company in the following manner as on the effective date.
- f. Pre - Post Reduction Capital Structure of the Company is as under:

Particulars	Pre-Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorized Share Capital		Authorized Share Capital	
1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000	1,10,00,000 Equity Shares of Rs. 10/- each	11,00,00,000
Total	11,00,00,000	Total	11,00,00,000
Issued & Subscribed Capital		Issued & Subscribed Capital	
1,07,32,272 Equity	10,73,22,720	10,73,227 equity	1,07,32,270



Shares of Rs. 10/- each		shares of Rs. 10/- each	
Total	10,73,22,720		1,07,32,270
Paid-up Share Capital 1,07,32,272 Equity Shares of Rs. 10/- each	10,73,22,720	Paid-up Share Capital 10,73,227 equity shares of Rs. 10/- each	1,07,32,270
Total	10,73,22,720		1,07,32,270

- g. The Pre and Post Reduction Shareholding pattern of the Company will be as follows:

Category	Pre - Scheme (Equity Shares of Rs. 10 each)		Post Scheme (Equity Shares of Rs. 10 each)	
	No. Shares	Percentage	No. Shares	Percentage
Promoter	17,50,000	16.31	1,75,000	16.31
Public	89,82,272	83.69	8,98,227	83.69
TOTAL	1,07,32,272	100	10,73,227	100

- h. Upon the scheme coming into effect, with the above reduction of the equity share capital of the Company in accordance with the above clause the existing 1,07,32,272 Equity Shares of Rupees 10/- each shall be reduced to 10,73,227 Equity Shares of Rupees 10/- each fully paid up. Consequently, every shareholder of the Company whose name appear on the register of members on the Record date shall be issued 10 (Ten)



equity shares of face value of Rs. 10/- (Rupees Ten) fully paid up for every 100 (Hundred) equity shares of held Rs. 10/- (Rupees Ten) fully paid up by Shareholders in the Company as on the Record Date.

- i. No shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated to into whole shares and the number of shares so arising shall be held by the Trust/Trustee appointed by the Board who shall dispose – off the said shares in the market at the best available price within 90 days from the date of allotment of shares in one or more lots. The trustee shall severally hold the net sale proceeds of all such shares after deducting that from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the company in proportion to their fractional entitlements.
- j. The Company shall be empowered to advise the depository participant of the shareholders holding shares in the dematerialized form, on the record date, about the information of shareholding arising out of capital reduction pursuant to this scheme, for substitution thereof or in lieu of the certificate of the equity shares held by them before such capital reduction.
- k. Those equity shareholders of the Company who continue to hold their shares in physical form as on Record date shall be issued and delivered fresh share certificate consequent upon the reorganization of capital irrespective of whether such equity shareholders surrender their old share certificate or not. Their original share certificate shall be deemed to be cancelled and non -usable and non-tradable on any stock exchange or otherwise from and after the record date. The stock exchange shall also be intimated, on the Record date of the non- tradability of the original share certificate so that they can intimate their Company's members by public notice displayed on the Notice Board and through electronic means.



- l. The Scheme is only for reduction of Share Capital of the Company and it does not envisage transferor vesting of any properties and /or liabilities to or in favor of the Company. The percentage of shareholding pattern of the Company shall remain unchanged.**
- m. The proposed reduction of Paid-up Share Capital of the Company by way of writing off the Accumulated losses against the share capital of the Company will be for the benefit of the Company, its creditors, Shareholders and all the concerned stakeholders. Such reduction will not cause any prejudice to the creditors of the Company. It does not involve either the diminution of any liability in respect of any unpaid capital or the payment to the Shareholder of the paid-up capital. Further, the proposed reduction of capital would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or pay its debts in the ordinary course of the business.**
- n. The Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.**



PART 4 — GENERAL CLAUSE, OTHER TERMS AND CONDITIONS/ CONDITIONALITY OF THE SCHEME

4.1 CONDITIONALITY OF THE SCHEME

The scheme is conditional upon and subject to:

- a. The Scheme being approved by the Shareholders of the Company through special resolution;
- b. The Scheme being approved by the creditors of the Company, if any, as prescribed under the Act and/or as may be directed by NCLT and/or any other appropriate authority as may be applicable;
- c. The Company to obtain the no-objection letter from the BSE Limited for the implementation of the Scheme;
- d. The Scheme being approved by the NCLT under Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013(to the extent applicable);
- e. Certified copy of the order of the NCLT sanctioning this Scheme and the form of minutes of reduction being filed with the ROC by the Company; and
- f. The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

4.2 COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, levies, duties and expenses in relation to or in connection with or incidental to the proposed Scheme of reduction of share capital and of carrying out and



implementing/complementing thereof shall be borne and paid solely by the Company and all above costs shall be treated as costs relating to the Scheme.

4.3 IMPACT OF THE SCHEME ON EMPLOYEES

The Scheme shall not have any adverse impact on the employees of the Company. All staff, workmen and other employees in the service of the Company immediately before the capital reduction shall stay as staff, workmen and employees of the Company after the capital reduction.

Their service shall be continuous and shall not be interrupted by reason of this capital reduction. The terms and conditions of service applicable to the said staff, workmen or employees after such capital reduction shall not in any way be less favorable to them than those applicable to them immediately before the capital reduction.

4.4 IMPACT OF THE SCHEME ON CREDITORS/LENDERS/ FINANCIAL INSTITUTIONS

The proposed scheme would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the creditors/ lenders/ financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Company.

The proposed reduction in capital in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable-or outstanding.

4.5 CONTRACTS, DEEDS, AGREEMENTS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, Deeds, Agreements and other instruments of whatever nature to which the Company is a party subsisting or having effect immediately before the Effective Date shall



remain in full force and effect against or in favor of the Company, as the case may be, and shall be enforced as fully and as effectually as before such reduction.

4.6 CONDUCT OF BUSINESS BY THE COMPANY

The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of reduction of capital.

4.7 LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature by or against the Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by the capital reduction, but such proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company - before such capital reduction.

4.8 APPLICATION TO THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

This involves reduction of share capital as contemplated by Article 6 of the Articles of Association of the Company. The Company shall make all applications / petitions to the National Company Law Tribunal (NCLT), Ahmedabad Bench for sanctioning of this Scheme and obtain all approvals as may be required under Section 66 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) are to be sought as a measure of legal compliance, transparency, prudence and extra caution.



4.9 MODIFICATIONS/AMENDMENTS TO THE SCHEME

The Company , by its Board or such other committee/ person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Hon'ble National Company Law Tribunal, Ahmedabad Bench, the SEBI, the Stock Exchange and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected herewith, and may be considered by the Board to be in the best-interest of the Company -and its Shareholders including the withdrawal of the Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

4.10 DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) hereto approved or imposed or directed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, shall be effective from the Effective Date.

4.11 SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme to have no effect, if the



Board is of the view that the coming into effect of the Scheme would have adverse implications on the Company.

4.12 ACCOUNTING TREATMENT

The Company shall pass appropriate entries as per the applicable accounting policies and accounting standards (specified in section 133 or any other provision of the Act) as regards accounting for the reduction of Capital and writing off the Accumulated Losses. Upon the Scheme becoming Company of the effective, Reduction of Capital with Company will be accounted for in accordance the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

Following are the salient features of the accounting treatment to be given immediately upon Scheme getting into effect:-

Upon reduction of Capital, the total issued and paid-up Equity Share Capital of the Company shall be reduced 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 10,73,227 (Ten Lakh Seventy-Three Thousand Two Hundred Twenty-Seven) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

The debit balance of the Profit & Loss Account of the Company will be written off to the extent of the amount of the aforesaid reduction of share capital. Any amount left after writing off the debit balance of the Profit & Loss Account/ negative balance of Reserves and Surplus will remain "as it is", in the books of the Company.



The adjustment / reduction, in the capital shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 and other applicable provisions of the Act and the order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be also the order under section 66 of the Act for the purpose of confirming the reduction and no further act, deed, or thing as required under the provisions of the Act would be required. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid—up share capital.

4.13 DESIGNATED STOCK EXCHANGE

Since the equity share of the Company listed on the BSE Limited only, therefore, the designated stock exchange for interaction with SEBI in terms of SEBI Circular shall be BSE Limited.

4.14 LISTING OF SHARES

Notwithstanding the reduction of capital of the Company in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchange where the existing Equity shares of the Company are listed shall continue and the Company will comply with the applicable provision of Listing Agreement with the Stock Exchange.

4.15 MINUTE:

The Form of Minute proposed to be registered under Section 66(5) of the Act and Rule 6(2) of the Rules is as follows:

The Issued, Subscribed and Paid-up equity capital of Saptak Chem and Business Limited shall stand reduced 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 10,73,227 (Ten Lakh Seventy-Three



Thousand Two Hundred Twenty-Seven) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

4.16 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the aforesaid sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal and/ or the order or orders not being passed as aforesaid, the Scheme shall become null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and the Company shall bear and pay the costs, charges and expenses for or in connection with the Scheme.

4.17 CONDUCT OF BUSINESS:

Nothing contained in the Scheme shall affect the conduct of the business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a Party and/ or any legal or other proceedings by or against the Company.

For Saptak Chem and Business Limited



Rohitkumar Parikh
Managing Director
DIN: 07394964

Date: 19/01/2024
Place: Ahmedabad

