

SAPTAK CHEM AND BUSINESS LIMITED

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

Contact No.: + 917976835065 Website: www.saptakchem.com

Email id: munakchem1980@gmail.com CIN: L24299GJ1980PLC101976

04th June, 2024

To,
The Department of Corporate Services
BSE Limited
Ground Floor, P. J. Tower
Dalal Street,
Mumbai – 400 001

Ref: Scrip Code: 506906

Sub.: Submission of Notice of 45th Annual General Meeting (“AGM”) of the Company.

Dear Sir/Madam,

This is with reference to the above-mentioned subject and in terms of applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we are enclosing herewith a copy of Notice of 45th Annual General Meeting (“AGM”) of the Company scheduled to be held on Thursday, June 27, 2024 at 11:30 A.M. (IST) through Video Conferencing (VC).

Kindly take the same on your records and acknowledge the receipt thereof.

Thanking You,

For Saptak Chem and Business Limited



Rohitkumar Parikh
Managing Director
DIN: 07394964

Encl.: as above

NOTICE 45TH ANNUAL GENERAL MEETING
(Pursuant to Section 101 of the Companies Act, 2013)

NOTICE is hereby given that the 45th (Forty-Fifth) Annual General Meeting (“AGM”) of the Members of **Saptak Chem and Business Limited** will be held on **Thursday, June 27, 2024 at 11:30 A.M. (IST)** through **Video Conferencing (VC)** to transact the following business:

ORDINARY BUSINESS:

1. **Consideration and Adoption of the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:***

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 and the Reports of the Board of Directors and Auditor thereon, as circulated to the members, be and are hereby considered and adopted.”

2. **Re-appointment of Mr. Manthan Bhavsar (DIN: 05208214) as a Managing Director (Executive), who retires by rotation and being eligible, offers himself for re-appointment.**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Mr. Manthan Bhavsar (DIN: 05208214), Managing Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director (Executive) of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

3. **To appoint M/s. Meet Shah & Associates, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company to hold office for a period of 3 (Three) consecutive financial years, from the conclusion of the 45th Annual General Meeting of the Company until the conclusion of the 48th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.**

*To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142, and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Meet Shah & Associates., Chartered Accountants, Ahmedabad (Firm Registration No.: 169259) be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Aniket Goyal & Associates, Chartered Accountants, (Firm’s Registration No. 022331C), the retiring statutory auditors, to hold the office from the conclusion of the 45th Annual General Meeting until the conclusion of the 48th Annual General Meeting of the Company to be held in the year 2027 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

4. **To Consider and approve the Scheme of Capital Reduction of the Company**

*To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:***

“**RESOLVED THAT** pursuant to Section 66 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder (the “Act”) read with The National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”) and pursuant to Article 6 of the Articles of Association of the Company, Based on the report of Audit Committee and Independent Directors and No Objection letter dated May 2, 2024 issued by the office of BSE Limited and subject to the confirmation by the Hon’ble National Company Law Tribunal, Ahmedabad Bench (“**NCLT**” or “**Tribunal**”) and such other approvals, consents, permissions and sanctions as may be necessary, to be obtained from any government or statutory authority, consent of the Company, be and is hereby accorded to the Board of Directors to reduce the issued, subscribed and paid-up capital of the Company 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 by cancelling and

extinguishing, 90% of the total issued, subscribed and paid-up equity share capital of the Company, comprising 96,59,045 (Ninety-Six Lakh Fifty-Nine Thousand Forty-Five) Equity Shares of Rs. 10/- (Rupees Ten) each held by the members of the Company.”

“RESOLVED FURTHER THAT 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 Lakh Eighty Thousand Eight Hundred and Sixty-Eight Only) based on Audited Standalone financial Statements for the year ended March 31, 2023, the Accumulated Losses of Rs. 9,65,90,450 (Rupees Nine Crores Sixty-Five Lakh Ninety Thousand Four Hundred Fifty Only) is hereby written off.”

“RESOLVED FURTHER THAT upon Reduction, the issued, subscribed and paid-up capital of 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) (hereinafter referred to as “the New Equity Shares”) Equity Shares of Rs. 10/- (Rupees Ten Only) each by cancelling and extinguishing, 90% of the total issued, subscribed and paid-up equity share capital of the Company.”

“RESOLVED FURTHER THAT the company shall not be required to use the words “and reduced” as part of its name as there is neither any payment outgo nor it amount to extinguishing or reducing liability on its shares in respect of its share capital.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all necessary steps and do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, in the best interest of the Company and its members in connection with and relating to the Capital Reduction, including any directions for settling any question or doubt or difficulty whatsoever that may arise, for the purpose of giving effect to the Capital Reduction, or to any modification thereof, and as the Board may in its absolute discretion deem and proper in the best interest of the Company without being required to seek any further consent or approval of the members or otherwise, including but not limited to:

- a) Finalizing, amending and settling the draft scheme, application / petition, and assent to such alterations, conditions and modifications, if any, or effect any other modification or amendment as the Board of Directors of the Company may consider necessary or desirable to give effect to the proposed reduction of share capital;
- b) Filing any affidavit, petition, pleading, application, form or reports before NCLT or any other statutory or regulatory authority including the concerned stock exchange, SEBI, the Registrar of Companies, the Regional Director or such other authority as may be required in connection with the proposed reduction of capital or its sanction thereof and to do all such acts and deeds as they may deem necessary in connection therewith and incidental thereto;
- c) Making such alterations and changes in the scheme, application to be made to NCLT, as may be expedient or necessary or satisfying the conditions / requirement imposed by NCLT, SEBI and/or any other statutory /regulatory authorities, as may be -required, provided that prior approval of the Board shall be obtained for making any material changes in the said application.
- d) Signing all applications, petitions, affidavits, undertakings, documents, letters relating to the proposed reduction of capital and represent the Company before the NCLT and any other authorities in relation to any matter relating to the proposed reduction of capital or delegate such authority to any other person through a valid power of attorney;
- e) To verify, sign, deal, swear, affirm, declare, deliver, execute, make, enter into, acknowledge, undertake, record all deeds, declarations, instruments, vakalatnamas, applications, petitions, affidavits, objections, notices and writings whatsoever as may be usual, necessary, proper or expedient and all manner of documents, petitions, affidavits and applications under the applicable laws including Companies Act, 2013, and Rules made thereunder and other applicable laws/regulations in relation to the aforesaid matter and to represent the Company in all correspondences, matters and proceedings and any nature whatsoever in relation to the above
- f) To engage any Lawyer, counsel, consultant firms, advisors, advocates, attorneys, pleaders, solicitors, valuers, auditors, accountants, registrars or any other one or more agencies, as may be required in relation to or in connection with the proposed reduction of share capital, on such terms and conditions as they may deem fit, finalize fees, terms and conditions of their appointment letter(s), furnish such information as may be required by them and also to sign, execute and deliver all documents, letters, advertisements, announcements, disclosures, affidavits, undertakings and other related documents in favor of the concerned authorities, advocates or any one or more persons or firms as they may deem fit and to do all such acts, deeds and things as they may deem fit and as may be necessary in this regard.

- g) Incur such other expenses as may be necessary with regard to the above transaction, including payment of fees to solicitors, merchant bankers, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them.
- h) Make any modifications as they may consider necessary in relation to the procedure and modalities of effecting the transactions contemplated in this resolution.
- i) Consider, approve, sign and execute all other documents, advertisements, announcements, disclosures, etc. which may be sent / required to be sent to concerned authorities on behalf of the Company.
- j) To file requisite forms with the Registrar of Companies in connection with the proposed reduction of share capital during and after the process of sanction thereof.
- k) Sign, execute and deliver such documents as may be necessary and do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect for the purpose of the above resolutions or to otherwise give effect to the transactions contemplated as aforesaid.
- l) To accept services of notices or other Processes which may from time to time be issued in connection with the matter aforesaid:
- m) To do all such acts and things and deal with all such matters and take all steps as may be necessary including any modification, if required, and do all such other acts, matters, deeds and things necessary, proper or desirable in connection with or incidental to giving effect to the purposes of this Resolution.
- n) To give such directions as they may think fit and proper, including directions for settling any questions or difficulties that may arise and to do all acts, deeds and tasks, as may be deemed necessary, expedient or proper to give effect to the proposed reduction of capital and for matters connected therewith or incidental thereto.

“RESOLVED FURTHER THAT in connection with the proposed reduction of share capital, the Company be and is hereby records that:

- 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 reduction of capital 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 reduction of capital will be in the best interest of all the stakeholders of the Company.

The reduction of Share Capital of the Company does not envisage transferor vesting of any properties and /or liabilities to or in favor of the Company.

- d) 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.
- e) The reduction of capital shall not 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.
- f) The capital reduction, 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.
- g) The proposed reduction of capital, 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 and 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.

- h) The capital reduction 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 and will be for the benefit of the and its Company shareholders, creditors and all concerned as whole.”

“RESOLVED FURTHER THAT any Director or Company Secretary of the Company be is hereby singly authorized do all such acts, deeds and things as may be required to give effect to the aforesaid resolutions, including issuing share certificates, making necessary filings, etc. with the NCLT/ or regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before the regulatory authorities and to give effect to the aforesaid resolution.”

“RESOLVED FURTHER THAT a certified true copy of the above resolution be forwarded wherever required, under the signature of any Director or any officials of the Company as authorized above.”

**For & on behalf of the Board of Director
Saptak Chem and Business Limited**

Sd/-

**Rohitkumar Parikh
Managing Director**

DIN: 07394964

**Date: 29-05-2024
Place: Ahmedabad**

Registered Office:

201 Chiranjiv Complex
Mahalaxmi Five Road,
Paldi Ahmedabad-380007
CIN: L24299GJ1980PLC101976
Email: info@saptakchem.com
Website: www.saptakchem.com

Notes:

1. In view of the continuing Covid-19 pandemic in the country, social distancing norms to be followed and continuing restriction on movement of persons at several places, the Ministry of Corporate Affairs (“MCA”) has, vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, General Circular No 10/2022 dated 28.12.2022 & General Circular No 11/2022 dated 28.12.2022, 09/2023 dated 25.09.2023 as amended from time to time till date, (collectively referred to as “MCA Circulars”), directed that companies shall hold the Annual General Meeting through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) only and accordingly, in compliance with the provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, Annual General Meeting of the members of the Company (AGM) will be held through VC/OAVM only (hereinafter referred to as “AGM”).
2. Further, in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the company’s website www.saptakchem.com, websites of the Stock Exchanges i.e., BSE Limited and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com.
3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Business to be transacted at the Annual General Meeting (“Meeting”) is annexed hereto.
4. All documents referred to in the notice and the explanatory statement provided hereinafter, will also be available for electronic inspection by the members without any fee from the date of circulation of this notice up to the date of AGM i.e., Thursday, June 27, 2024. Members seeking to inspect such documents can send an email to info@saptakchem.com.
5. The Share Transfer Books & the Register of Members shall remain closed from 21st June, 2024 to 27th June, 2024 (Both days inclusive).
6. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars referred to above through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

7. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email from its registered email address to info@saptakchem.com with a copy marked to evoting@nsdl.co.in.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank account details such as, name of the bank and branch, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's RTA- MCS Share Transfer Agent Limited, 201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room, Ashram Rd, Shreyas Colony, Ahmedabad, Gujarat 380009 (Tel: 07926580461 Email: mcsstaahmd@gmail.com) in case the shares are held by them in physical form.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank or Register of Beneficial holders as made available by the depositories, will be entitled to vote at the AGM.
10. Members desiring any information with regard to the annual accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 26th June, 2024 through email on info@saptakchem.com.
11. Members attending the AGM through "VC" shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Since the AGM will be held through "VC", the Route Map is not annexed in this Notice.
13. Instructions for remote e-voting and procedure to join the AGM are provided as under.

Instructions for attending Annual General Meeting virtually

As per extension of covid circular for holding AGM through VC, granted and issued by the Ministry of corporate affairs and Securities Exchange Board of India and various other government authorities, Company has decided to conduct the meeting through zoom app.

Login id and password for attending the AGM will be send to the members on their registered E-Mail ID (if E-Mail ID is not registered then first registered your E-Mail ID with NSDL/CDSL) at least before 3 days prior to the date of AGM, Link of the meeting will also be available on the website of the Company i.e. www.saptakchem.com.

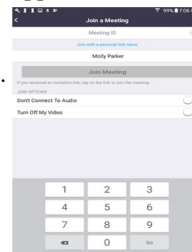


Steps for Android users

- Open the zoom mobile app. If you have not downloaded the Zoom mobile app yet, you can download it from the Google Play Store.
- Join a meeting using one of these methods
 - a) Tap Join a Meeting if you want to join without signing in.
 - b) Sign in to Zoom then tap Join.



- Enter the meeting ID number and your display name.
 - a) If you're signed in, change your name if you don't want your default name to appear. *
 - b) If you're not signed in, enter your name registered with the Company. *
- Select if you would like to connect audio and/or video and tap Join Meeting.

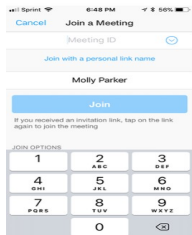


➤ **Steps for iOS users.** 

- Open the Zoom mobile app. If you have not downloaded the Zoom mobile app yet, you can download it from the App Store.
- Join a meeting using one of these methods
 - a) Tap Join a Meeting if you want to join without signing in.
 - b) Sign in to Zoom then tap Join.



- Enter the meeting ID number and your display name.
 - a) If you're signed in, change your name if you don't want your default name to appear. *
 - b) If you're not signed in, enter a display name*
- Select if you would like to connect audio and/or video and select Join.



Steps for Web browsers.

● **Google Chrome** 

- Open Chrome.
- Go to join.zoom.us.
- Enter your meeting ID provided by the host/organizer.




- Click Join.
 - a) If this is your first time joining from Google Chrome, you will be asked to open the Zoom client to join the meeting.
 - b) You can check Always open these types of links in the associated app to skip this step in the future.
 - c) Click Open Zoom Meetings (PC) or Open zoom.us (Mac).

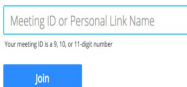
Open Zoom?

<https://zoom.us> wants to open this application.



● **Safari** 

- Open Safari.
- Go to join.zoom.us.
- Enter your meeting ID provided by the host/organizer.



- Click Join.
- When asked if you want to open zoom.us, click



Steps for Microsoft Edge or Internet Explorer



- Open Edge or Internet Explorer.
- Go to join.zoom.us.
- Enter your meeting ID provided by the host/organizer.

Join a Meeting

Your meeting ID is a 9, 10, or 11-digit number

Join

- Click Join.

-: Important: -

- *If you don't register your name then you are not liable to attend the AGM.
- **If you have any query/suggestions then click on Raise Hand Button then after admin will un-mute you.
- **Always start your Video, without video you will not liable to attend the AGM.
- ***To Start Audio, Below Instructions are to be followed from your side: -
Click on > Setting Button > Meeting > Auto-Connect to Audio > Call over Internet.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -

The remote e-voting period begins on **June 24, 2024 at 09:00 A.M. and ends on June 26, 2024 at 05:00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e., June 20, 2024**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date, being June 20, 2024**.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode : In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to

	<p>NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p>  
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>
<p>B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.</p>	

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csrupalimodi@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@saptakchem.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digits DPID + CLID or 16 digits beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to info@saptakchem.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
 - A. The voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the company as on the Cut-Off Date of Thursday, 20th June, 2024.
 - B. A Copy of This Notice Has Been/ Shall Be Placed on The Website of The Company and The Website Of NSDL.
 - C. Mrs. Rupali Modi, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - D. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than two working days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
 - E. In terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice. A member desiring to exercise vote by Ballot shall complete

the said Ballot Form with assent (for) or dissent (against) and send it to Mrs. Rupali Modi, Scrutinizer, having office address at B-601 Samarpan Palace, dattapada Road, Borivali, Mumbai-400066, E-mail: csrupalimodi@gmail.com so as to reach her on or before 26th June, 2024 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.

- F. The facility for voting through ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e- voting/ ballot shall be able to exercise their voting right at the meeting.
 - G. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - H. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website within 2 (Two) working days of conclusion of the annual general meeting and will be communicated to BSE Limited (BSE), who are required to place them on their website. The same shall also be placed on the website of NSDL.
5. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
 6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts; will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
 7. Corporate members intending to send their authorized representative to attend the meeting pursuant to the section 113 of the Companies Act, 2013 are requested to send to the company a certified true copy of the relevant board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
 8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer agent of the Company immediately.
 9. Members are requested to note that as per Companies Act, 2013, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company. However, no pending dividend is there as on date.
 10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. MCS Share Transfer Agent Limited, Registrar and Share Transfer agent of the Company.
 11. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
 12. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's/ NSDL's website within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited (BSE).

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

13. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to www.saptakchem.com.
14. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to www.saptakchem.com If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
15. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
17. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to MCS Share Transfer Agent Limited- Registrar and Share Transfer agent of the Company immediately.
18. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to MCS Share Transfer Agent Limited, Ahmedabad, Registrar and Share Transfer agent of the Company.
19. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

Date: 29/05/2024
Place: Ahmedabad

For & on behalf of the Board of Director
Saptak Chem and Business Limited
Sd/-
Manthan Bhavsar
Managing Director
DIN: 05208214

Registered Office:
201 Chiranjiv Complex
Mahalaxmi Five Road,
Paldi Ahmedabad-380007
CIN: L24299GJ1980PLC101976
Email: info@saptakchem.com
Website: www.saptakchem.com

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 ('Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulations') sets out all material facts relating to the business(es) to be dealt at the 45th Annual General Meeting as mentioned under Item Nos. 1 to 3 of the accompanying Notice dated May 29, 2024:

Item No. 1: Adoption of audited financial result etc., March 31, 2024

In terms of the provisions of Section 129 of the Companies Act, 2013, the Company submits its audited financial statements for F.Y. 2023-24 for adoption by members at the Annual General Meeting ("AGM").

The Board of Directors (the "Board"), on the recommendation of the Audit Committee, has approved audited financial statements for the financial year ended March 31, 2024. Detailed elucidations of the financial statements have been provided under various sections of the Annual Report, including the Board's Report and Management Discussion and Analysis Report.

The Audited Financial Statements of the Company along with the reports of the Board of Directors and Auditors thereon:

- have been sent to the members at their registered e-mail address; and
- have been uploaded on the website of the Company i.e., www.saptakchem.com under the "Investors" section.

M/s. Aniket Goyal & Associates, Chartered Accountants (FRN. 022331C), Statutory Auditor has issued an unmodified audit report on the financial statements and has confirmed that the financial statements, represent a true and fair view of the state of affairs of the Company

None of the Directors or Key Managerial Personnel of the Company including their relatives, except to the extent of their respective shareholdings in the Company, in any way, financially or otherwise, is interested or concerned in this resolution.

The Board recommends the **Ordinary Resolution** set out at Item No. 1 for approval of the members of the Company.

Item No. 2 : Re-appointment of Mr. Manthan Bhavsar (DIN: 05208214) as a Managing Director (Executive), who retires by rotation and being eligible, offers himself for re-appointment.

Section 152 of the Companies Act, 2013 (“Act”) mandate certain number of directors to retire at every Annual General Meeting (“AGM”) of the Company who can offer themselves for re-appointment. In compliance with this requirement, Mr. Manthan Bhavsar (DIN: 05208214), Managing Director, retires by rotation at the ensuing AGM. He is eligible and has offered himself for re-appointment.

A brief profile of Mr. Manthan Bhavsar to be reappointed as an Executive Director is given under the heading “Details of Directors proposed to be appointed and re-appointed, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India” elsewhere in the Notice.

The Company has received declaration from Mr. Manthan Bhavsar that he is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr. Manthan Bhavsar has contributed immensely to the Company’s growth. He is having the vast experience in the field of infrastructure, administration and finance. He possesses strong analytical and investment evaluation skills and with his outstanding networking and relationship management ability.

Details of Directors proposed to be re-appointed pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard 2 on General Meetings (SS-2) issued by the Institute of Company Secretaries of India:

Name of the Director	Mr. Manthan Bhavsar
DIN	05208214
Date of Birth (Age in years)	18/07/1988
Date of first appointment	31/12/2016
Experience/ Expertise in Specific Functional Areas	Mr. Manthan Bhavsar is having the vast experience in the field of administration and finance.
Qualification(s)	Graduate (Account)
Directorship in other companies including listed companies *	Nil
Listed entities from which the person has resigned in the past three years	Nil
Chairmanship / Membership of Committees (across all public companies in Audit Committee and Stakeholders’ Relationship Committees)	0
Shareholding in the listed entity, including shareholders as a beneficial owner	Nil
No. of Board Meetings Held/ Attended	6
Details of Remuneration sought to be paid	Nil
Last Remuneration drawn (per annum)	Nil
Disclosure of relationships between directors inter-se	Nil
Terms and conditions of reappointment and Remuneration	Mr. Manthan Bhavsar shall be reappointed as Director (Executive), liable to retire by rotation

* Directorships in private limited companies (except deemed public companies), foreign companies and section 8 companies and their committee memberships are excluded. Membership and chairmanship of Audit Committee and Stakeholders’ Relationship Committee of only public companies have been included in the aforesaid table.

Except the above, none of other Directors or Key Managerial Personnel of the Company including their relatives, except to the extent of their respective shareholdings in the Company, in any way, financially or otherwise, is interested or concerned in this resolution.

The Board recommends resolution at Item No. 2 relating to re-appointment of Mr. Manthan Bhavsar as Director (Executive), for approval of the members as an **Ordinary Resolution**.

Item no. 3: To appoint M/s. Meet Shah & Associates, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company to hold office for a period of 3 (Three) consecutive financial years, from the conclusion of the 45th Annual General Meeting of the Company until the conclusion of the 48th Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

M/s. Aniket Goyal & Associates, Chartered Accountants, Chartered Accountants has been the Statutory Auditors of the Company who has been appointed on January 19, 2024 till the conclusion of this 45th AGM.

Now, M/s. Aniket Goyal & Associates, Chartered Accountants (Firm Registration No.: 022331C), has completed his term as the Statutory auditor of the company. Hence, M/s Aniket Goyal & Associates, Chartered Accountants, retires as the Statutory Auditors of the company at the conclusion of the 45th Annual General Meeting. Accordingly, as per the requirements of the Act and based on the recommendations of the Audit Committee, the board of directors of the company has in its meeting held on May 29, 2024 proposed to appoint M/s. Meet Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.: 169259).

M/s. Meet Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration No.: 169259) have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice.

The Board recommends the resolution set forth in item No. 3 of the notice for approval of the member as a **Special Resolution**.

Item No. 4: To consider and approve Scheme of Capital Reduction of Company

1. BACKGROUND:

The proposed Reduction of the Equity Share capital is being undertaken in accordance with the provisions of Section 66 and other applicable provisions of the Act and the rules made thereunder (“the **Rules**”) (including any statutory modification(s) or re-enactment) and National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 (“**NCLT Rules**”), which permit a Company to reduce its share capital in any manner including in the manner contemplated by the Company.

2. REASONS FOR ACCUMULATED LOSSES AND DETAILS OF LOSS BUILDUP OF COMPANY FOR LAST FINANCIAL YEARS

The Fertilizer Industry has been adversely affected due to the adverse Policies of Govt. of India, as a result thereof, margins have been under pressure due to withdrawal of subsidy in the year 2001-2002. The prices of raw materials used in organic and inorganic chemical production was highly volatile and due to this supply chain of the company was disrupted. Due to this, the Company has already closed the operation and there had been a Nil turnover of SSP which was the mass product of the Company. The Company has closed its operation and there was no Production and Sale during the year. The working and operational results showed net loss of Rs. 11.38 lacs in F.Y. 2012-13. There were other like Shift in market demands, economic downturns, recessions, or global market instability factors which also played major role in decreasing the revenue of the company.

So far as SSP Industry is concerned, the future is very bleak due to availability of Imported Fertilizer and other substitute at more economical prices and drastic reduction in demand due to various reasons.

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development

practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

The operations of the company were closed till 2016 and the company was not generating any revenue during these years. In F.Y. 2016-17 the total income was Rs. 7,91,432/-. However, it was not enough to mitigate all operational expenses of the Company. After making all necessary provisions for current year and after taking into account the current year net Loss, the negative surplus carried to Balance Sheet was become Rs. 12,97,20,757/-. After F.Y.2016-17, the company has been generating revenue but due to previous losses company was not able to generate chances to recover from the losses. The Company has also diversified its line of business from chemical to the trading of industrial salt also. However, it did not make much remunerative to the Company and day-by-day operational losses of the Company increased.

In F.Y. 2019-2020 due to sluggish market condition and pandemic COVID- 19, the company has been striving hard to re-enter into market. even in the mid of sluggish market condition and pandemic COVID – 19, the company has tried to penetrate in the market and against Nil income of previous year, the company has achieved gross turnover of Rs.7,37,700/- during FY 2020-21 with net operational loss of Rs.2,04,596 (PY net loss Rs.84,900/-). Details of profit and loss build up, of the company, through-out the years are mentioned below:

Sr. No.	Year	Profit/(-)Loss	Cumulative Loss	% of total cumulative loss	% as compared to last FY
1.	2000-01	-12851863	-10,35,08,727	9.99	-
2.	2001-02	-22269028	-12,57,77,755	17.31	173.27
3	2002-03	-2274186	-12,80,51,941	1.77	10.21
4.	2003-04	-2992088	-13,10,44,029	2.33	131.57
5.	2004-05	-2551076	-13,35,95,105	1.98	85.26
6.	2005-06	-2462346	-13,60,57,451	1.91	96.52
7.	2006-07	-19676700	-15,57,34,151	15.29	799.10
8.	2007-08	2443850	-15,32,90,301	-1.90	-12.42
9.	2008-09	-6271588	-15,95,61,889	4.87	-256.63
10.	2009-10	25293265	-13,42,68,624	-19.66	-403.30
11.	2010-11	-1170509	-13,54,39,133	0.91	-4.63
12.	2011-12	-1493880	-13,69,33,013	1.16	127.63
13.	2012-13	-1137608	-13,80,70,621	0.88	76.15
14.	2013-14	-1492334	-13,95,62,955	1.16	131.18
15.	2014-15	10793333	-12,87,69,622	-8.39	-723.25
16.	2015-16	-971427	-12,97,41,049	0.75	-9.00
17.	2016-17	20292	-12,97,20,757	-0.02	-2.09
18.	2017-18	11,16,071	-12,86,04,686	-0.87	5500.05
19.	2018-19	1,34,940	-12,84,69,746	-0.10	12.09
20.	2019-20	-84,900	-12,85,54,646	0.07	-62.92
21.	2020-21	-2,04,596	-12,87,59,242	0.16	240.98
22.	2021-22	20,132	-12,87,39,110	-0.02	-9.84
23.	2022-23	58,242	-12,86,80,868	-0.05	289.30

The Equity Share Capital of the Company is listed on two national stock exchanges i.e., BSE Limited.

In view of the above, the Board of Directors at its meeting held on January 19, 2024 after due deliberations, opted to reduce the paid-up Equity Share Capital of the Company to the extent 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.

The Capital Reduction will enable the Company to write off the accumulated losses as reflected in the Audited Balance Sheet of the Company for the year ended 31st March, 2023 (“**Accumulated Losses**”) upto the extent of

Rs.9,65,90,450/- (Rupees Nine Crore Sixty Five Lacs Ninety Thousand Four Hundred Fifty only). The Capital Reduction and the corresponding writing off of the Accumulated Losses will enable the Company to have a rational structure which is commensurate with its business, assets and true net worth.

Exact amount of loss to be carried forward after the proposed reduction of share capital: The Company, in accordance Section 66 and other applicable provisions of the Companies Act, 2013 read with Regulation 37 and other applicable Regulations of SEBI (LODR) Regulation, 2015 and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016, shall undertake the financial reconstruction of Company whereby the accumulated losses of profit and loss account amounting to Rs.9,65,90,450/- (Rupees Nine Crore Sixty Five Lacs Ninety Thousand Four Hundred Fifty only) shall be set off and the Share Capital shall stand cancelled to the extent of Rs.9,65,90,450/- (Rupees Nine Crore Sixty Five Lacs Ninety Thousand Four Hundred Fifty only). Thereby the exact amount of loss to be carried forward after the proposed reduction of share capital shall be Rs.3,20,90,418, based on the audited balance sheet as on 31st March, 2023 and statutory auditors certificate dated January 19, 2024.

In relation to above, the Audit committee and the Board of Directors of the Company approved the proposal for Reduction of Capital as per the Scheme at their respective meetings held on **January 19, 2024**, subject to receipt of observations and no objection from BSE Limited (“**BSE**”) (“**designated Stock Exchange**”). The Company had filed the necessary applications with both the exchanges for seeking their no-objection to the Scheme. Consequently, the office of the BSE Limited (BSE) (designated Stock Exchange) had issued observation letter dated May 2, 2024 to the above proposed reduction of share capital. Copies of the aforesaid Observation Letter is enclosed as Annexure-2 to this notice. As per the Observation Letters, the respective exchanges have given “No objection” and “no adverse objection” to the Scheme. The scheme is annexed herewith as Annexure-1.

The Board of Directors of the Company based on the recommendation of the Audit Committee, at their meeting held on May 4, 2024 has taken the note of the Observation Letter / No objection letter No. DSC/AMAL/AK/R37/3160/2024-25 dated May 2, 2024 issued by the office of the BSE Limited and the Scheme of Capital Reduction of Issued, Subscribed and Paid-up Equity Share Capital between the Company and its Shareholders as per the terms set out in the Resolution. Article 6 of the Articles of Association of the Company provides for the reduction of Share Capital of the Company. Under the mandate of the Act, it is necessary to obtain the approval of the shareholders of the Company bypassing a special resolution for the Reduction of Capital as per the Scheme and as per provisions of Section 66 of the Companies Act, 2013 and such reduction of capital would have to be confirmed by NCLT as provided under Section 66 of the Act and NCLT Rules.

Further, no consideration shall be paid by the Company to the shareholders with respect to the proposed Capital Reduction, hence, no separate valuation of shares is necessary in determining the fair value of the said shares of the Company for the purposes of the proposed Capital Reduction and therefore, the need for a valuation report for the purpose of the proposed Capital Reduction is dispensed of.

3. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

(A) Capital Structure- Pre and Post Reduction of Capital:

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 Shares of Rs. 10/- each	10,73,22,720	1,07,32,272 equity shares of Rs. 10/- each	1,07,32,270
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 1,07,32,272 equity shares of Rs. 10/- each	1,07,32,270
Total	10,73,22,720		1,07,32,270

(B) Shareholding pattern- Pre and Post Reduction of Capital:

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

(C) Capital Buildup of the Company since inception

Date of Issue	No. of shares issued	Issue Value Rs.	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
12-03-1980	250	10	Initial Subscription	250	Listed
29-05-1982	9,16,500	10	Preferential Allotment	9,16,750	Listed
16-07-1985	26,67,850	10	IPO	35,84,600	Listed
24-03-1993	31,47,672	10	FPO	67,32,272	Listed
28-01-1999	20,00,000	10	Preferential Allotment	87,32,272	Listed
07-02-2000	15,00,000	10	Preferential Allotment	1,02,32,272	Listed
01-03-2001	5,00,000	10	Preferential Allotment	1,07,32,272	Listed

4. RATIONAL AND SYNERGIES OF THE SCHEME AND ITS IMPACT ON THE PUBLIC SHAREHOLDERS

4.1 RATIONALE OF THE SCHEME OF CAPITAL 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.

4.2 EFFECTS AND BENEFITS OF THE PROPOSED REDUCTION:

(a) The proposed Scheme of Capital Reduction of the Company also has the following **benefits**:

1. 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.
2. The adjustment would not have any impact on the shareholding pattern and the capital structure of the Company.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. The reduction of capital in the manner proposed would enable the Company to have commensurate with its remaining business and assets.
9. The proposed reduction will be for the benefit of the and its Company shareholders, creditors and all concerned as whole.
10. The reflection of the true financial statement of the Company would ensure the Company to attract a new source of revenue.
11. 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.
12. 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.
13. 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).
14. 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.
15. 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.

(b) **EFFECTS & IMPACT OF THE SCHEME ON THE PUBLIC SHAREHOLDERS:** The proposed Scheme of Capital Reduction of the Company also has the following Effects and impact on the public shareholders:

- 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 Shares of Rs. 10/- each	10,73,22,720	10,73,227 equity shares of Rs. 10/- each	1,07,32,270
Total	10,73,22,720	Total	1,07,32,270
Paid-up Share Capital		Paid-up Share Capital	
1,07,32,272 Equity Shares of Rs. 10/- each	10,73,22,720	10,73,227 equity shares of Rs. 10/- each	1,07,32,270
Total	10,73,22,720	Total	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. Details of (Pre-Post Scheme) Assets and Liabilities of the Company:-

(Amount Rs.)

Particulars	Before Scheme of Reduction	After Scheme of capital Reduction
ASSETS		
Non Current Assets		
Property, Plant and Equipment		
Capital Work in Progress		
Financial Assets		
Investments	-	-

Loans & Advances	-	-
Other Non-Current Assets	-	-
Current assets		
Current investments		
Inventories	-	-
Financial Assets		
Trade Receivables	-	-
Cash and Cash Equivalents	5,27,777	5,27,777
Loans & Advances	13,22,138	13,22,138
Other Current Assets	-	-
TOTAL	18,49,915	18,49,915
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	10,73,22,720	1,07,32,270
Other Equity	(12,87,74,057)	(3,21,83,607)
Liabilities		
Non Current Liabilities		
Financial Liabilities		
Borrowings	-	-
Deferred Tax Liabilities (Net)	-	-
Current Liabilities		
Financial Liabilities		
Borrowings	2,33,01,253	2,33,01,253
Trade Payables	0.23	-
Short-Term Provisions	-	-
Other Current Liabilities	-	-
TOTAL	18,49,915	18,49,915

- i. 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.
- 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 name and such use is dispensed with.

5. EFFECTIVE DATE OF REDUCTION OF SHARE CAPITAL:

After receipt of approval of the shareholders, the Company will take steps to file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and the NCLT Rules, seeking confirmation of the Reduction of Capital as per the Scheme. Pursuant to section 66(5) of the Act, this resolution will be effective on the date when the Registrar of Companies, Gujarat registers the NCLT order approving the Reduction of Capital as per the Scheme and issues a certificate to that effect.

6. AUDITOR CERTIFICATE:

M/s. Aniket Goyal & Associates, Chartered Accountants, have issued a Certificate dated January 19, 2024 stating that the Accounting Treatment proposed by the Company for the Reduction of Capital as per the Scheme is in conformity with the Accounting Standards specified in the Act and the Generally Accepted Accounting Principles.

7. FAIRNESS OPINION:

GYK Capital Advisors Private Limited, Merchant Bankers have issued the fairness opinion on the Scheme of Reduction of Share Capital stating that the requirement for valuation report as mentioned in Para 1(A)(4)(a) of Annexure I to the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 is not applicable to the proposed Reduction of Capital as per the Scheme of the Company since there is no change in the shareholding pattern of the Listed Entity.

8. TREATMENT AND PAYMENT FOR FRACTIONAL SHARES:

As per Scheme of Capital Reduction, “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.”

No New Equity Shares shall be issued by the Company in respect of the fractional entitlements, if any, to which the shareholders of the Company may be entitled to in terms of the Capital Reduction and cancellation ratio. The fractional entitlements of the relevant shareholders of the Company shall be consolidated and thereupon New Equity Shares shall be issued and allotted in lieu of thereof to such Director(s), Officer(s) or other person(s) as shall be nominated by the Company [“Representative”] who shall hold the shares in trust on behalf of the shareholders of the Company entitled to the fractional entitlements on the express understanding that such Representative, shall sell the same in the market at such time or times and at such price or prices, as deemed fit by such Representative, and the net sale proceeds thereof shall be distributed, subject to deduction of tax as applicable and related expenses, to the shareholders of the Company in proportion to their respective fractional entitlements.

9. GENERAL INFORMATION AND DISCLOSURES:

Article 6 of the Articles of Association of the Company provides for reduction of capital of the Company by way of a special resolution in accordance with the provisions of the Act.

The Capital Reduction will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.

All documents referred to in the accompanying Special Resolution and Explanatory Statement annexed thereto are made available on the Company’s website at: www.saptakchem.com and would also be available for inspection to the members at the Registered Office of the Company between 10:00 A.M. (IST) and 1:00 P.M. (IST) on any working day, except Saturdays, Sundays and public holidays, till the last date for remote e-voting by the members.

No inquiry or investigation is pending against the Company under any provisions of Act.

The Board of Directors of the Company considered that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the special resolution as set out in the item no.4 to this Notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution except to the extent of their respective shareholding in the Company.

Date: 29/05/2024
Place: Ahmedabad

Registered Office:
201 Chiranjiv Complex
Mahalaxmi Five Road,
Paldi Ahmedabad-380007
CIN: L24299GJ1980PLC101976
Email: info@saptakchem.com
Website: www.saptakchem.com

For & on behalf of the Board of Director
Saptak Chem and Business Limited
Sd/-
Rohitkumar Parikh
Managing Director
DIN: 07394964

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, un-incorporated 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 by-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 founders and factors 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

- No investigations or proceedings have been instituted and are pending against the Company under the Act.
- 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.
- 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.
- 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

- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

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- 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.

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 Shares of Rs. 10/- each	10,73,22,720	10,73,227 equity shares of Rs. 10/- each	1,07,32,270
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/ CONDITIONA-LITY 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 hereof 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 effective, Reduction of Capital with Company will be accounted for in accordance with 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

Sd/-

Rohitkumar Parikh

Managing Director

DIN: 07394964

Date: 19/01/2024

Place: Ahmedabad

DCS/AMAL/AK/R37/3160/2024-25

May 02, 2024

The Company Secretary,
Saptak Chem And Business Ltd.
 201 Chiranjiv Complex,
 Mahalaxmi Five Road, Paldi,
 Ahmedabad, Gujarat, 380007

Dear Sir,

Sub: Observation letter regarding the Scheme of reduction of Share Capital between Saptak Chem and Business Limited and its Shareholders

We are in receipt of the Scheme of reduction of Share Capital between Saptak Chem and Business Limited and its Shareholders filed Saptak Chem And Business Ltd as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_DivI/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated April 30, 2024 has inter alia given the following comment(s) on the draft scheme of reduction:

- a. "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b. "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c. "Company shall ensure compliance with SEBI circulars issued from time to time."
- d. "The entities involved in the scheme shall duly comply with the various provisions of the circular and ensure that all the liabilities of the Transferor Company are transferred to Transferee Company."
- e. "Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice to shareholders."
- h. "The Companies are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the

company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013.

- Details of (pre & post scheme) Assets and Liabilities Saptak
- Capital buildup of company since inception
- Reasons for accumulated losses and details of loss buildup of company for last % financial years
- Exact amount of loss to be carried forward after the proposed reduction of share capital.
- Rationale and synergies of the scheme and its impact on the public shareholders

The clause 3.3 of the scheme shall be modified to provide (i) a detailed list of alterations to be made in the Memorandum and Article of Association of the company and (i) a detailed list of applicable provision under any other applicable laws, rules and regulations , in respect of the proposed reduction of share capital.”

- “Company shall ensure that the proposed equity shares to be issued in terms of the ‘Scheme’ shall mandatorily be in demat form only.”
- “Company is advised that the ‘Scheme’ shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.”
- “No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon’ble NCLT and the Company is obliged to bring the observations to the notice of Hon’ble NCLT.”
- “Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.”
- “It is to be noted that the petitions are filed by the company before Hon’ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

The company shall disclose the No-Objection letter of the Stock Exchange(s) on its website within 24 hours of receiving the same.

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

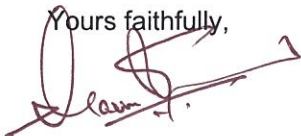
Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the**

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

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Yours faithfully,



Manu Thomas
Additional General Manager



Tanmayi Lele
Assistant Manager