

Date: 19/01/2024

To,  
The Board of Directors  
Saptak Chem And Business Limited  
201 Chiranjiv Complex, Mahalaxmi Five Road,  
Paldi, Ahmedabad, Gujarat, 380007

**Subject: Fairness Opinion on the proposed Scheme for Reduction of Capital of Saptak Chem and Business Limited**

Dear Members of the Board,

The Company is proposing a scheme of reduction of the share capital under Section 66 and any other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder (hereinafter referred to as 'the Scheme').

Accordingly, the Company has appointed GYR Capital Advisors Private Limited, Category - I Merchant Banker, registered with SEBI bearing Registration Number INM000012810, vide an engagement letter dated 08/01/2024 to issue a Fairness Opinion Report, in terms of 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 (hereinafter referred to as 'the SEBI Circular').

In connection with the same, we attach our Fairness Opinion Report, in terms of the SEBI Circular.

**For GYR Capital Advisors Private Limited.**



**Mohit Baid**  
**Director**  
**DIN: 08594571**

**FAIRNESS OPINION REPORT**

**SCHEME**

**OF**

**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**

## **1. Scope and Purpose**

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- 1.1 The Board of Directors of the Company proposes the Scheme, as mentioned above, under Section 66 of the Companies Act, 2013 as amended and rules framed thereunder.
- 1.2 In this regard, the management of the Company has engaged ' GYR Capital Advisors Private Limited' (SEBI Registered Category I Merchant Banker) to provide a fairness opinion on the valuation of shares or assets and the Scheme.
- 1.3 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Company, the shareholders, SEBI, Stock Exchange and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Company hereby agrees to this fact.
- 1.4 This Fairness Opinion Report is subject to the sources, assumptions, exclusions, limitations and disclaimers detailed hereinafter as such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

## **2. Background of the Company**

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- 2.1 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.
- 2.2 The Equity shares of Company are listed on BSE Limited (BSE).
- 2.3 The Capital Structure of the Company as per the Audited Standalone Financial statements as on March 31, 2023 is as under

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

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.

### **3. Exclusions and limitations**

- 3.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Company to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 3.2 Our opinion and analysis are limited to the extent of review of documents and the Scheme, as provided by the Company and we have relied upon them without any independent verification.
- 3.3 We do not express any opinion as to the price at which shares of the Company may trade at any time, including subsequent to the date of this opinion. In rendering our opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company and its subsidiaries and respective shareholders.

#### **4. Sources of information**

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For the purpose of the preparation of this Fairness Report, we have relied on the following information, as made available to us, by the management of the Company.

- 4.1 Draft Scheme under Section 66 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder;
- 4.2 Non-applicability of Valuation Report dated 19/01/2024 by Mrs. Sejal Ronak Agrawal (Registered Valuer)
- 4.3 Latest Memorandum of Association and Articles of Association of the Company;
- 4.4 Shareholding pattern of the Company as on December 31, 2023;
- 4.5 Audited financial statements for the year ended March 31, 2023 and limited reviewed financial statements for the period ended December 31, 2023; and
- 4.6 Such other information and explanations as required and which have been provided by the management of the Company, which were considered relevant for the purpose of the Fairness Opinion Report.

#### **5. Salient features of the scheme**

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- 5.1 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.
- 5.2 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.
- 5.3 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) out of the total Rs.12,86,80,868 (Rupees Twelve Crores Eighty-Six Lakh Eighty Thousand Eight Hundred and Sixty-Eight Only) accumulated losses reflecting in the audited standalone financial statements of the Company as on March 31, 2023.
- 5.4 Accordingly, upon coming into effect the Scheme, the paid – up share capital of the company reduced from Rs. 10,73,22,720 (Ten Crore Seventy-Three Lacs Twenty-Two Thousand Seven Hundred Twenty-Two Only) divided into 1,07,32,272 (One Crore Seven Lacs 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)

5.5 Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words “And Reduced” to its name as the last words there off.

## **6. Valuation report**

6.1 As per Part- 1 (A)(4)(a) to the SEBI Circular, the company is required to submit a valuation report from a Registered Valuer in respect of the Scheme. However, as per Part- 1 (A)(4)(b) of the above circular the Valuation Report is not required in cases where there is no change in the shareholding pattern of the Listed Company.

6.2 The Company has also obtained a Certificate from Mrs. Sejal Ronak Agrawal (Registered Valuer) dated 19/01/2024 for non-applicability of the Valuation Report as mentioned in the SEBI Circular.

## **7. Conclusion**

On the basis of our examination of the Scheme and other information and data provided to us by the Company and subject to the scope and limitation as mentioned hereinabove, to the best of our knowledge and belief, we are of the opinion that the proposed Scheme of Reduction and certificate obtained from Mrs. Sejal Ronak Agrawal (Registered Valuer) dated 19/01/2024 for non-applicability of the Valuation Report as mentioned in the SEBI Circular is fair and reasonable.

**For GYR Capital Advisors Private Limited.**



**Mohit Baid**  
**Director**  
**DIN: 08594571**