SAHYOG MULTIBASE LIMITED
(FORMERLY SAHYOG CREDITS LIMITED)
House No. 9, Road No. 13, East Punjabi Bagh, New Delhi-110026
CIN: L74110DL1992PLC116773

REPORT OF AUDIT COMMITTEE OF SAHYOG MULTIBASE LIMITED
DATED 5TH JANUARY, 2019

Present – Members

In Attendance

1. Background :

1.1 The meeting of Audit Committee of Sahyog Multibase Limited **('the Company')** was held on 5Th January, 2019*inter alia* to consider and recommend to the Board of Directors the proposed Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 involving Amalgamation of Best Agrochem Private Limited**('Transferor Company')** with Sahyog Multibase Limited**('Transferee Company') ('Scheme').**

1.2 This report of the Audit Committee is made in order to comply with the requirements of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, **('Circular')** read along with Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:

- Draft Scheme of Arrangement for Amalgamation;
- Valuation Report issued by Sanjeev Jagdish Chand &Associates, Chartered Accountants and Fairness Opinion obtained from Corporate Professionals Capital Private Limited, SEBI Registered Category–I Merchant Banker.

2. Proposed Scheme of Arrangement

2.1 The Audit Committee noted the rationale of the proposed Scheme of Arrangement for Amalgamation, which is, inter alia, as follows:

(i) The Amalgamation of Transferor Company with Transferee Company shall result in:

- Diversification and expansion substantially of the Transferee Company and in an inorganic manner in a range of branded agrochemical products, formulations and APIs of Transferor Company. Similarly, it would help the business of the Transferor Company to get the advantage of much larger financial strength, better leveraging, visibility and liquidity through the listing status.
- better realization of potential of business and yield beneficial results and enhanced value creation for the Companies involved in Scheme, their respective Shareholders and Creditors.

SAHYOG MULTIBASE LIMITED DELHI

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2.2 **The salient features of the Draft Scheme are as under:**

2.2.1 The scheme of Arrangement provides for Amalgamation of Best Agrochem Private Limited **('Transferor Company')** with Sahyog Multibase Limited **('Transferee Company')**

2.2.2 In consideration of Amalgamation, Transferee Company shall issue and allot to each of the shareholders of "Transferor Company" shares in proportion of 245 (Two Hundred Forty Five) Equity shares of face value of Rs.10/- (Rupees Ten) each in "Transferee Company" for every 100 (One Hundred) Equity Shares of face value of Rs.10/- (Rupee Ten) each held by them in "Transferor Company".

2.2.3 The Equity Shares of Sahyog Multibase Limited is listed on BSE Limited (BSE). The Company will be filing the Scheme along with necessary information / documents with the Exchange.

2.2.4 The proposed Appointed Date for the Scheme will be 1st April, 2018 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal or such other competent authorities as may be applicable.

2.2.5 The proposed Valuation Report with respect to the Amalgamation of Transferor Company with Transferee Company is issued by independent valuer Sanjeev Jagdish Chand & Associates, Chartered Accountants.

2.2.6 The Fairness Opinion confirmed that the Valuation Report is fair to the Company and its shareholders. The same is obtained from Corporate Professionals Capital Private Limited, SEBI Registered Category I Merchant Banker.

3. **Recommendations of the Audit Committee**

The Audit Committee after due deliberations and due consideration of all terms of the Draft Scheme of Arrangement for Amalgamation, Valuation Report, Fairness Opinion and the specific points mentioned above, recommends the Draft Scheme of Arrangement for Amalgamation for favorable consideration by the Board of Directors of the Company, the Stock Exchange(s) and SEBI.

By the order of Audit Committee
For Sahyog Multibase Limited

SAHYOG MULTIBASE LIMITED DELHI

GHANSHYAM PRASAD GUPTA
Chairman of Audit Committee
DIN: 00287019

Date: 30.01.2019
Place: New Delhi