JAIHIND SYNTHETICS LTD

103, Shreenath Saidarshan Datapada Road, Borivali (W), Mumbai, Maharashtra, 400066
Email ID: jaihindltd@yahoo.com | Tel No. 022-28676010 | CIN: L17120MH1986PLC040093

Report of the Meeting of Independent Directors of Jaihind Synthetics Ltd ("Company") recommending the draft scheme of reduction of Share Capital between the Company and its shareholders under section 66 and other applicable provisions of the companies act, 2013 at its meeting held on February 22, 2024, at 3.00 p.m. at the Registered office of the Company

The following Directors were present during discussion on the Scheme:

Rinal Doshi	- Chairperson and Independent Director
Krishna Maheta	- Member and Independent Director
Dipesh Sushania	- Member and Independent Director

In attendance:

Mr. Pramod Yadav	- Company Secretary

1. Background

A meeting of the Independent Directors of the Company was held on February 22, 2024, to consider and recommend the draft Scheme of Reduction of Share capital between the Company and its shareholders under Section 66 and other applicable provisions of the Companies Act, 2013 for the forfeiting inadvertently allotted 2,22,65,980 equity shares upon conversion of warrants

This report of the Independent Directors is made In compliance with the requirement of the SEBI Circular No. SEBI/HO/CFD/DIII/CIR/P/2020/249 dated December 22, 2020 ("SEBI Circular") read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities Exchange and Board of India ("SEBI") as amended from time to time.

The following documents were placed before the Independent Directors:

i. Draft Scheme for reduction of share capital;

ii. Unaudited Financials of the Company for the year quarter and nine months ended December 31, 2023.

iii. Undertaking obtained from the Chief Financial Officer, with respect to non-applicability of Valuation report, pursuant to exemption provided in para A(4)(b) of Part I of the SEBI Circular;

iv. Draft Certificate from the statutory auditors of the Company, M/s. P S V JAIN & Associates pursuant to para I(A)(5) of the SEBI Circular confirming that the accounting treatment for the proposed reduction of share capltal is not directly addressed by the applicable Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder however is in compliance with other generally accepted accounting principles in India, be and is hereby accepted and taken on record

v. Other Reports, Documents and information furnished before the Independent Directors.

2. Proposed Scheme of Arrangement

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The Company had issued 1,00,00,000 convertible warrants at a price of Rs. 28.25/- to be converted to Equity Shares on 5th July, 2011 at Rs. 28.25 (including Share Premium of Rs. 18.25) and Face Value of Rs. 10/- each . Out of the total only 95,03,000 warrants was subscribed and 25% monies was paid which constitutes Rs. 6,71,14,937.5/- was received. One other person paid other paid 31.95% and did not paid the rest of the amount. The balance monies of 75% was paid only by 15,20,000/- warrant holders which was converted to the Equity Shareholders which Rs. 10/- face value and Rs. 18.25/- as the premium by the Board of Directors in its meeting held on January 16, 2013.

However, the Company inadvertently converted 22,26,598 warrants to Equity shares on January 16, 2013, instead of forfeiting the warrants out of the amount received at the issue and thereafter.

Through proposed reduction in share capital, the Company to utilize an amount of Rs. 6,29,01,394 (Rupees Six Crores Twenty Nine Lakhs One Thousand Three Hundred and Ninety Four Only) out of the amount of Rs. 2,26,55,980/- (Rupees Two Crore Twenty Six Lakhs Fifty Five Thousand Only) standing to the credit of the Share Capital Account and Rs. 4,06,35,414/- (Rupees Four Crores Six Lakhs Thirty Five Thousand Four Hundred and Fourteen Only) to the Securities Premium Account of the Company as on 31st December, 2023, and that such reduction be effected by crediting it to Capital ReductionReserve amounting to Rs. 6,29,01,394 (Rupees Six Crores Twenty Nine Lakhs One Thousand Three Hundred and Ninety Four Only) as on 31st December, 2023; to give true and fair view of books of accounts of the Company.

3. Impact of the Scheme on the equity shareholders of the Company

The Scheme does not entail any discharge of consideration by the Company in form of cash, shares or otherwise to the shareholders as against the proposed reduction of share capital. Hence, the interest of the equity shareholders is not adversely affected.

The Company's equity capital structure and the shareholding pattern subsequent to the Scheme will be as under:

Particulars	Prior to the Scheme as on December 31, 2023	Proposed Reduction	After the Scheme as on the Effective Date
Paid Up Share Capital* Less: Calls in Arrears Balance:	Rs. 8,54,65,980/- (-) 3,25,000 Rs. 8,51,40,980	(Rs. 2,22,65,980/-)	Rs. 6,32,00,000/- (3,25,000) Rs. 6,28,84,000
Securities Premium Account	Rs. 6,83,75,414/-	(Rs. 4,06,35,414/-)	Rs. 2,77,40,000/-
Capital Reduction Reserve (Cr)	Nil	Rs. 6,29,01,394/-	Rs. 6,29,01,394/-

4. No requirement of obtaining valuation report

The Scheme provides for reduction of share capital of the Company. Pursuant to the Scheme no consideration in form of cash, shares or otherwise, is proposed to be paid by the Company to the shareholders as shares were allotted inadvertently. Accordingly,

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there is no requirement to obtain valuation report from a registered valuer, for undertaking the proposed reduction of share capital of the company.

5. Recommendation of the Independent Directors

Independent Directors of the Company inter-alia having considered the proposed scheme, benefits, Accounting Treatment certificate and the impact of the Scheme on equity shareholders and in particular the fact that the Scheme is not detrimental to the interests of any of the shareholders and all other stake holders of the Company including the government authorities and in consideration of the documents placed before it, approves and recommends the Scheme to the Board of Directors of the Company for its consideration and approval.

On Behalf of the Independent Directors
for **Jaihind Synthetics Ltd,**

Rinal Doshi
Chairperson of Independent Directors