

Pratik Panels Limited

REPORT OF THE AUDIT COMMITTEE OF PRATIK PANELS LIMITED RECOMMENDING THE DRAFT SCHEME OF REDUCTION OF SHARE CAPITAL

This report of the Audit Committee is issued in terms of SEBI circular no. (CFD/DIL3/CIR/2017/21) dated March 10, 2017 ("the SEBI circular") as amended. The requirements of the said SEBI circular, inter-alia make it mandatory for the Audit Committee to recommend the draft Scheme of Reduction of Share Capital.

A meeting of the Audit Committee of Pratik Panels Limited ("the Company") was held on January 30, 2019, inter alia, to consider and recommend the reduction of share capital and the draft scheme of reduction of share capital of Pratik Panels Limited.

The aforesaid Audit Committee meeting was attended by the following Committee members:

SI No.	Name of the members	Designation	Status
1	Mr. Jayesh Shah	Chairman	Independent, Non-Executive
2	Mr. Kulmeet Saggu	Member	Independent, Non- Executive
3	Mr. Gunwantraj Singhvi	Member	Promoter, Executive

Mr. Denzil Ralph Dsouza, Company Secretary of the Company was also present as the secretary to the Audit committee.

Mr. Jayesh Shah, Chairman of the Audit Committee chaired the aforesaid Audit committee meeting.

The Audit committee in its meeting considered that there was an accumulated loss (debit balance in the profit and loss account) of Rs. 3,67,93,832/- as against the paid up Share capital of Rs. 3,89,85,000/- in the Company as per the last audited financial statements of the Company for the financial year ended 31st March, 2018. The Committee had further discussed that in order to re-align the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts and for better presentation of the factual financial position of the Company; the paid-up equity share capital of the Company should be reduced by 90% on proportionate basis.

The following documents were considered by the Audit Committee:

 i) Draft Scheme of Reduction of Capital of the Company, including the rationale for the proposed reduction of capital;

- Audited financial statements of the Company for the last financial year ended on 31st March, 2018;
- iii) Pre and Post reduction of capital, shareholding pattern of the Company;
- iv) Fairness Opinion Report dated January 30, 2019 issued by SEBI registered Category

 I Merchant Banker.

The Audit Committee considered and reviewed the aforesaid documents.

The Audit committee also noted that no valuation is required for undertaking the proposed reduction of capital of the company by writing off the accumulated losses in part by reducing the paid up value of each share.

After discussion and consideration, the Audit Committee unanimously approved and recommended for reduction of the equity share paid up capital by 90% on proportionate basis, under section 66 of the Companies Act, 2013 and other applicable provisions by reducing the face value of the Equity Shares from Rs. 10/- each fully paid up to Re. 1/- each fully paid up and that such reduction be effected by writing off the Accumulated Losses in part amounting to Rs. 3,50,86,500/-.

The Audit Committee acknowledged that since the reduction of capital shall be on proportionate basis, there shall not be any change in percentage shareholding of any of the shareholder of the Company.

The pre and post reduction shareholding pattern of the Company will be as follows:

Particulars	Prior to the Scheme as on March 31 2018		After the implementation of the Scheme	
	Number of Shares (Rs. 10/- each)	% of total	Number of Shares (Re. 1/- each)	% of total
Promoter and Promoter Group	1529713	39.24%	1529713	39.24%
Public	2368787	60.76%	2368787	60.76%
Total	3898500	100%	3898500	100%



The Committee also unanimously approved the draft scheme of reduction of capital of Pratik Panels Limited and recommended the same for favourable consideration by the Board of Directors of the Company, the Stock Exchange(s), SEBI and other competent authorities.

By the Order of the Audit Committee of Pratik Panels Limited

Jayesh Shah

(Chairman) (Audit Committee)

Date: 30th January, 2019

Place: Mumbai