



Pratik Panels Limited

CIN No.: L36101MH1989PLC317374

Tel: +91-8411009460; Email: pplby8@gmail.com; Website: www.pratikpanels.com

Date: 9th July, 2022

To,
Department of Corporate Service (DCS-CRD),
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Sub.: Intimation under Reg 30 for order received from NCLT for Reduction of Share Capital.

Ref : Pratik Panels Limited

Scrip Code : 526490

With reference to the captioned subject, please note that the National Company Law Tribunal, "NCLT", Mumbai Bench has passed the order dated 8th July, 2021, approving the Scheme of Reduction of paid up Equity Share Capital of the Company from Rs. 3,89,85,000/- divided into 38,98,500 Equity Shares of Rs. 10/- each, fully paid up to Rs. 38,98,500/- divided into 38,98,500 Equity Shares of Re. 1/- each, fully paid up by writing off the Accumulated Losses.

Company will initiate further compliances in this regard. A copy of the NCLT Order is enclosed herewith.

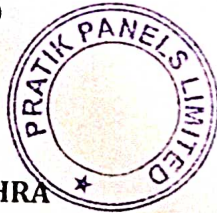
Kindly acknowledge receipt of the same.

Thanking You,

Yours truly,

For PRATIK PANELS LIMITED

Pankaj Chandrakant Mishra



**PANKAJ CHANDRAKANT MISHRA
DIRECTOR
DIN- 03604391**

Encl: As Above



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT – II

CA 169/ 2022 & CA 272/2021
IN
CP NO.3354/66/MB/2019

In the matter of Section 66 of the
Companies Act 2013 and the Rules
framed thereunder

AND

In the matter of Reduction of Share
Capital of Pratik Panels Limited

Pratik Panels Limited, a Company)
incorporated under the provisions of the)
Companies Act, 1956, having its registered)
office at H.No. 1824, Gala 1,2,3,4,5, Swagat)
Complex, Nr. Bidi Kamgar Soc. Rahnal,)
Thane – 421302,)
CIN: L36101MH1989PLC317374

..... Petitioner Company

Order delivered on :- 08.07.2022

Coram:

Justice P. N. Deshmukh (Retd.) : Hon'ble Member Judicial

Mr. Shyam Babu Gautam : Hon'ble Member Technical

Appearances:

For the Petitioner Company : Ashish O. Lalpuria a/w Kamal Lahoty,
Practising Company Secretary



ORDER

Per: Justice P.N. Deshmukh, Member Judicial

1. CA 272 of 2021 and CA 169 of 2022 is filed by the Applicant seeking corrigendum/recall of the order dated 23.07.2021 passed in CP 3354 of 2019. The Order uploaded on the NCLT website was passed with respect to the admission of the Petition in place of final Order. It is further noted that the said error crept in the Order from the side of the Applicant itself. Hence, the Applicant filed the present CA 169 of 2022 and CA 272 of 2021 for releasing the final Order. The final hearing of the CP 3354 of 2019 was taken on 03.06.2022. **Hence, CA 169 of 2022 and CA 272 of 2021 is allowed and disposed of.**
2. Heard the learned Authorised Representative for the Petitioner Company. No objector has come before the Tribunal to oppose the Petition nor has any party contravened any averments made in the Petition.
3. The learned Authorised Representative for the Petitioner submits that Article 57 of its Articles of Association of the Petitioner



Company empowers the Petitioner Company to reduce its share capital in any manner for the time being authorized by law.

4. Rationale/Justification for the proposed reduction:

- (a) *The Company has Accumulated Losses reflecting in the books of the Company, from the previous years, primarily, due to operating losses. As on March 31, 2018, as per the audited financial results of the Company, the Accumulated Losses amounts to Rs. 3,67,93,832/- represented as 'Deficit in Statement of Profit & Loss' in the Reserves & Surplus Account.*
- (b) *Mere infusion of further funds into the Company will not benefit any existing shareholder even if the Company registers profit in coming years since no dividend can be paid out of the profits unless accumulated losses are wiped out. Under the scheme the accumulated losses are to be reduced to the extent of reduction of capital.*
- (c) *The Board of Directors of the Company, in accordance with the provision of Section 66 of the Companies Act, 2013 and other applicable provisions, if any, read with the applicable rules therein, and subject to the consent of the shareholders and the approval from the Tribunal and other statutory authorities as and where applicable, proposes to write-off the Accumulated Losses amounting to Rs. 3,50,86,500/- reflecting in the book of the Company, by reducing the face value of Equity Shares from Rs. 10/- each to Re. 1 each.*
- (d) *Further the Articles of Association of the Company authorizes the*



Company to reduce its share capital in any manner and in accordance with the provision of the Act.

(e) Under Section 66 (1) (b) (i) of the Companies Act, 2013, the Company may reduce the share capital by reducing liability on any of its shares by cancelling the paid-up share capital which is lost or is unrepresented by available assets.

(f) Hence, the Board of Directors believe that in order to present fair financial position of the Company and after an analysis of the various options available to the Company, the Board of Directors felt that it would be prudent to reduce the face value of Equity Shares from Rs. 10/- each to Re. 1 each to the extent of writing off the Accumulated Losses of the Company which is the most practical and economically efficient option available to the Company in the present scenario.

5. The learned Authorised representative for the Petitioner Company submits that this petition is for confirmation of a special resolution passed by the Petitioner Company for reduction of its equity share capital by reducing the paid-up equity share capital from Rs. 3,89,85,000 divided into 38,98,500 Equity Shares of Rs. 10/- each, fully paid up to Rs. 38,98,500/- divided into 38,98,500 Equity Shares of Re. 1 each, fully paid up by writing off the Accumulated Losses in part amounting to Rs. 3,50,86,500/-. The said special



resolution was unanimously approved by the Petitioner Company in its Annual General Meeting held on August 21, 2019.

6. The Regional Director, Western Region, Mumbai in his report dated 15th December, 2020 wherein observations are set forth in as stated in paragraph 7(a) & (e). These observations made by the Regional Director, in paragraph 7 are reproduced as under:

a) That the company has disposed off its assets in 2015-16 and hence the company is not carrying on any business. Therefore the very purpose of the existence of the company is defeated, considering the fact that the company is listed one. Therefore the company be directed to place on record of the Tribunal the complete details of accumulated losses till date giving year wise particulars. The company be also directed to place on record the justification as to why the company should continue and its business plans ahead

b) The company is a listed company and appointed Company Secretary only from 05.08 2016. The company to submit why it has not appointed Company Secretary before 05.08.2016 and hence the company be directed to place on record all facts in this regard



- c) *As per note No. 2.01 in the Balance Sheet as on 31.03.2019. The company has shown Rs. 33,08,361 as trade receivable outstanding for more than 3 years from the company viz) Kamla Real Estate HUB Private Limited and 2) Kamla Shanti Landmark Properties Pvt. Ltd. The Petitioner company be directed to place on record as to from when the amount is outstanding from these two companies and the efforts company took to recover and the relation of any of the Director with those two companies.*
- d) *Applicant to submit an Affidavit to the effect that the interest of the creditors and all stakeholders and Government Revenue are protected as well as statutory dues are paid off.*
- e) *The tax implication if any arising out of the proposal for reduction is subject to final decision of Income Tax Authorities. The approval of the Company Petition by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax return filed by the Company after giving effect to the proposed reduction. The decision of the Income Tax Authority is binding on the petitioner Company.*



7. Apropos observation made in paragraph IV (a) of the report of Regional Director is concerned, the Petitioner states that the Company disposed off its assets in 2015-16 to pay off its liabilities. The details of accumulated losses for the last few years is provided below:

Financial Year end date	Accumulated Losses (In Rupees)
31 st March, 2015	-3,41,58,657/-
31 st March, 2016	.-3,98,92,910/-
31 st March, 2017	-3,69,23,612/-
31 st March, 2018	-3,68,65,424/-
31 st March, 2019	-3,67,93,832/-
31 st March, 2020	-3,78,81,731/-

Further, the Petitioner submits that due to thin margins in the product segment pertaining to plywood and coupled with ever increasing cost and entry of new players in the market resulting in fierce competition and price pressure, the Petitioner could not continue business activities in the Company. Furthermore, the



Managing Director of the Company feels that due to advancing age, he may not be able to run the Company and therefore, the Company is in talks with various parties for a potential takeover of the Company to enable investors to fetch a better valuation of their investments in the Company.

8. Apropos observation made in paragraph IV (b) of the report of Regional Director is concerned, the Petitioner states that the Company had always appointed Company Secretary in compliance of Companies Act even prior to 5th August, 2016. Copies of the Form DIR-12 evidencing the appointment of Company Secretary prior to 5th August, 2016 with the Rejoinder to Regional Director's Report.

9. Apropos observation made in paragraph IV(c) of the report of Regional Director is concerned, the Petitioner submits that the Company sold its remaining inventory to KamlaLandmarc Group of Companies in the year 2012-13 for a total consideration of Rs. 1.09 Crores. Over the years the Petitioner Company was able to recover the significant amount from these Companies and the outstanding amount stood at Rs. 33.08 Lakhs. Further, the entire Kamla Landmarc Group has been under a cloud due to default in



delivery of homes, fraud, fund diversion etc. and as a result EOW has initiated proceedings against the entire group and its Directors who are behind the bars. Therefore, the Company was not able to recover the said amount pertaining to Trade Receivables and has written off the same in the current year.

10. Apropos observation made in paragraph IV (d) of the report of Regional Director is concerned, the Petitioner submits that the Company does not have any liabilities except loan from the Promoters. The Petitioner further submits that the all the statutory dues are paid off of as and when due and the Petitioner also undertakes that the interest of the creditors, if any and all the stakeholders and government revenue will be protected at all times.
11. Apropos observation made in paragraph IV (e) of the report of Regional Director is concerned, the Petitioner submits that tax implication if any arising out of the proposed reduction will be dealt with in accordance with law.
12. The Authorised Representative for the Petitioner submits that the Regional Director had filed its Supplementary Report dated 22nd January, 2021 and have pleaded that the Hon'ble Tribunal may decide the matter on merits.



13. Petitioner Company to publish the notices about registration of order and minutes of reduction by the concerned Registrar of Companies Mumbai, Maharashtra in two newspapers namely i.e. 'Financial Express' in English language and translation thereof in 'Navshakti' in Marathi language both having circulation in Mumbai within 30 days of registration. The Petitioner Company undertakes to file certified/ authenticated copy of the order and Form of Minutes duly certified by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai Bench with the Registrar of Companies within 30 days of receipt of this order.
14. Petition for the reduction of share capital allowed subject to the directions given herein above. All concerned regulatory authorities to act on production of certified copy of this order to be issued on demand by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
15. Ordered accordingly.



FORM OF MINUTES

“The Authorised Share Capital of the Company is Rs. 4,50,00,000/- divided into 4,50,00,000 Equity Shares of Re. 1 each. The Issued Share Capital of the Company is Rs. 41,20,000/- divided into 41,20,000 Equity Shares of Re. 1 each. The subscribed Share capital of the Company is Rs. 39,70,900/- divided into 39,70,900 Equity Shares of Re. 1 each. The paid up equity capital of Pratik Panels Limited is henceforth Rs. 38,98,500/- divided into 38,98,500 Equity Shares of Re. 1/- each. The debit balance in the Profit and Loss account of the Company is henceforth reduced by Rs. 3,50,86,500/-.”

Sd/-

**SHYAM BABU GAUTAM
MEMBER TECHNICAL**

Sd/-

**JUSTICE P.N. DESHMUKH
MEMBER JUDICIAL**