

# RAJASTHAN GASES LIMITED



**Address:** 103, Roha Orion, 16<sup>th</sup> Street Near 33<sup>rd</sup> Road, TPS III, Bandra W Mumbai MH 400050 IN  
**CIN:** L24111MH1993PLC272204 **Email:** info@rajasthangasesltd.com

## **REPORT OF AUDIT COMMITTEE OF RAJASTHAN GASES LIMITED RECOMMENDING THE DRAFT SCHEME OF THE REDUCTION OF CAPITAL**

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This Report of the Audit Committee is issued in terms of Para 2(c) of Annexure-1 of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018. The requirements of the said SEBI circulars, inter alia, make it mandatory for the Audit Committee to recommend the draft Scheme of Reduction Of Capital.

A meeting of the Audit Committee of Rajasthan Gases Limited ("the Company") was held on 8<sup>th</sup> March, 2018, inter alia, to consider and recommend the Reduction of Capital and the Draft Scheme of Reduction of Capital of Rajasthan Gases Limited.

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

1. Mr. Pradeep Kishangopal Mundra, Independent Director
2. Ms. Gauri Bhagat, Independent Director
3. Mr. Nikhilesh Narendra Khandelwal, Director

Ms. Kajal Raje, Company Secretary of the Company, was also in present as Secretary to the Audit Committee.

Mr. Pradeep Kishangopal Mundra, Chairman of the Audit Committee chaired the aforesaid Audit Committee meeting.

The following documents were considered by the Audit Committee meeting :

- a. Draft Scheme of Reduction of Capital of the Company;
- b. Annual reports of the Company for the financial years 2014-15, 2015-16 and 2016-17;
- c. Pre and Post Reduction Shareholding Pattern of the Company;
- d. Certificate for Non-Applicability of the requirement of obtaining the Valuation Report from an Independent Chartered Accountant as prescribed in Para 4(a) of Annexure-1 of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018 in respect of proposed Reduction of Capital.

**Rajasthan Gases Limited**

  
**Director**

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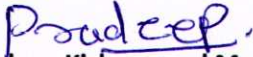
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The Audit Committee reviewed the aforesaid documents. The Audit Committee considered that there was accumulated loss (debit balance of Profit & Loss Account) of Rs. 3,34,99,586.91 as against the Paid up Share Capital of Rs. 5,37,38,000/- in the Company, as per the last Audited Annual Accounts of the Company for the financial year ended on March 31, 2017. It was discussed in earlier meeting of the Company 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 Financial Position of the Company; the Paid up Equity Share Capital of the Company should be reduced by 70% on proportionate basis.

Accordingly after discussion and consideration, the Audit Committee unanimously approved and recommended the Reduction of the Paid up Equity Share Capital by 70% on proportionate basis, under section 66 of the Companies Act, 2013 and other applicable provisions. Post Reduction of Capital the Nominal value and Paid up Value of each Equity share should be reduced from Rs.10 per equity share to Rs.3 per equity share. 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 shareholder of the Company.

The Committee also unanimously approved the Draft Scheme of Reduction of Capital of the Company and recommended the same for favorable consideration by the Board of Directors of the Company.

**By Order of Audit Committee**  
**For and on Behalf of Rajasthan Gases Limited**

  
**Pradeep Kishangopal Mundra**  
**Chairman**  
**(Audit Committee)**



**Date: 08.03.2018**  
**Place : Mumbai**