



REPORT OF THE AUDIT COMMITTEE OF PRAKASH CONSTROWELL LIMITED ("PCL") ON THE SCHEME OF ARRANGEMENT BETWEEN PCL AND BHUMIT REAL ESTATE PRIVATE LIMITED ("BREPL"), WHOLLY OWNED SUBSIDIARY OF PCL, AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Date of Meeting : February 2, 2019

Members present in the meeting:

- Mr. Vishal Ahuja - Chairman
Mr. Prakash laddha - Member
Mr. Prashant Gadkari - Member

Background:

1. A draft of the Scheme of Arrangement between PCL (Prakash Constrowell Limited) and BREPL (Bhumit Real Estate Private Limited) and their respective shareholders and creditors (the "Scheme") for demerger of Real Estate Business including all its assets and liabilities (the "Demerged Undertaking") carried on by PCL was presented to the Audit Committee in its meeting held on February 2, 2019.
2. The Audit Committee members discussed the proposal of Demerger of Demerged Undertaking into Bhumit Real Estate Private Limited and recommends Draft Scheme passed vide its meeting held on February 2, 2019 after perusing following documents:
 - i. Draft of the Scheme.
 - ii. Valuation Report from Independent Chartered Accountant as applicable as per Para I(A)(4) of Annexure I of SEBI CIRCULAR No. CFD/DIL3/CIR/2017/21 dated January 31, 2019 received from BSKS and Associates.
 - iii. Fairness Opinion Report dated February 1, 2019 received from Aryaman Financial Services Limited, Merchant Bankers.
 - iv. Audited Financials of Both companies

Hereby report that the demerger of the Real Estate Business of PCL as envisaged under the Scheme shall be beneficial to all the stakeholders of PCL.

The Committee has noted that:

- a) Both the businesses of PCL, namely that of EPC (Engineering, Procurement and Construction Service) as well as that of Real Estate, have the potential to grow faster with independent growth platforms.

- b) The Demerger would provide independent and focused Management, leadership, Strategy and financing platforms to the respective Businesses. It is aimed at protecting and maximizing value for all stakeholders of PCL and is not prejudicial to the interests of any stakeholders.
- c) Shareholders of PCL shall receive an additional share in BREPL for every 4 Shares held in PCL.
3. In light of the foregoing, the Audit Committee recommends the Draft Scheme for favourable consideration by the Stock Exchange(s) and SEBI.

By Order of the Audit Committee
For Prakash Constrowell Limited



Prakash Laddha
Director
DIN: 00126825

