



Ragini Chokshi & Co.

Company Secretaries

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Date : _____

To,
Board of Directors
Precision Wires India Limited

Dear Sir/s

Subject : Audit of Share Transfer Process & Dividend Payment Process of RTA M/s Sharepro Services (I) Private Limited pursuant to SEBI Order dated March 22, 2016.

In pursuance of SEBI Order dated March 22, 2016 in the matter of Sharepro Services (I) Private Limited, we have conducted the audit in respect of dividend payments and transfer of equity shares for the past 10 years for the period beginning from April 1, 2006 to March 31, 2016 with respect to data & records maintained by Registrar & Transfer Agent M/s Sharepro Services (I) Private Limited (RTA) and provided to us for verification.

On verification and examination of records and data maintained by the RTA, We are of the opinion that during the aforementioned period

A) TRANSFER OF SECURITIES

It was observed that there were 410 cases of transfer of shares during the period and in order to ensure the accuracy of records maintained by RTA, the share transfer forms which were serially numbered by the RTA were cross checked with minutes of Board / Stakeholders Relationship Committee meeting where the transfers during the said period were duly recorded and further they were also verified with annual returns filed through e-form 20B with the ROC, Mumbai through portal of Ministry of Corporate Affairs. After completion of the exercise, we are of the opinion that ;



- i) in the 6 cases of transfer of shares constituting 2100 equity shares, signatures of the transferor executed on the transfer deed were not found in signature data of members of the Company maintained by the RTA ,in their system and the details of same is attached to the Report as **Annexure-I**
- ii) share transfer deeds in respect of 24 cases constituting 3200 equity shares were missing from the records of RTA ,though the said transfers were recorded in the minutes of Board/stakeholders relationship committee and details of the said transfers upto March 31 2015 were also filed with Ministry of Corporate affairs in Form 20B (up to March 31,2014) & MGT-7 (w.e.f 01.04.2015) same is attached to the Report as **Annexure-II**.
- iii) During the course of audit, In order to check whether the share transfers during the period were made to 15 entities banned by SEBI in the order dated March 22,2016 , names & surnames of the banned entities in every possible permutation and combination were verified with records and any suspicious names /surnames were cross checked with records maintained in the system of the RTA , however we could not locate any illegal transfer of shares to 15 banned entities during the period .

B) DEMAT OF SHARES

- i) In course of audit , we also checked & verified the Demat Request Forms (DRF) lodged with RTA of the Company for dematerialization of shares and it was observed that in the 170 cases of requests received for demat of shares, signatures of beneficial owner on the DRF were not matching with signatures maintained by RTA. The list of the same is attached as **Annexure -III** to the report.

C) DIVIDEND PAYOUT

The entire dividend payout process was checked & verified with the list of members as on the record date to ensure that payment was not made to 15 entities banned by SEBI. Further, all dividend payments pertaining to the period from the unpaid dividend account before the transfer to Investor Protection Education fund were verified and it was found that the Company had followed due process of cancelling the warrants and reissuing the demand draft in lieu of the cancelled warrants . The dividend was paid to rightful claimant Further, balance outstanding from the individual dividend account as on March 31, 2016 was tallied with confirmation letter given by the banks as to outstanding balance in the account for the year ended March 31, 2016.



Therefore we are of the opinion that the Company has control over the entire dividend process with least participation of RTA in the process of revalidation of warrants and re-issue of drafts .

Place: Mumbai
Date: 25 MAY 16

For Ragini Chokshi & CO.
Practicing Company Secretaries



R. K. Chokshi
Mrs. RaginiChokshi

Partner

C.P. No. 1436

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