



PRITIKA AUTO INDUSTRIES LTD.

Regd. Office : Plot No. C-94, Phase VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160 055

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Website : www.pritikaautoindustries.com

Dated: 26th August, 2022

National Stock Exchange of India Ltd.

Listing Compliance

Mumbai

Re. Your mail dated 24/8/2022- clarification sought

Dear Sir/ Madam

This refers clarification sought by you vide your mail dated 24th August, 2022 in respect of giving Corporate Guarantee by the company. We submit Para-wise reply as under:

1. The company is holding company of the Pritika Engineering Components Ltd. (PECL). Out of the total 76,34,515 equity shares issued by PECL, the company is holding 76,34,511 equity shares in the share capital of PECL i.e. 99.999%. The directors of the company namely Mr Raminder Singh Nibber, Mr. Harpreet Singh Nibber, Mr. Ajay Kumar, Mr Subramaniyam Bala and Ms. Neha are also director of PECL. Except as stated above, the company and its directors are not interested in the transaction.

We are giving Corporate Guarantee in favour of Canara Bank, a nationalised bank and the transaction is at an arm length basis.

2. Canara Bank has revised and renewed the existing credit facilities of PECL i.e. Fund Based from Rs. 3.00 Crore to Rs.7.00 crore, Non fund Based from Rs. 2.00 crore to Rs. 3.00 crore and continuing term loan facilities of Rs. 12.86 crore. The bank has stipulated for Corporate Guarantee of Pritika Auto Industries Ltd. (the Holding Company) for the revised credit facilities sanctioned to PECL. The company has already given Corporate Guarantee for the existing credit facilities availed by PECL and has to give the corporate guarantee for the revised credit facilities.

The company will execute Guarantee documents for revised credit facilities for Rs. 22.86 crore in favour of Bank.

3. There will not be any impact of this Corporate Guarantee on the company (listed entity) as the borrower is in good financial condition and profit earning company.



The accounts of PECL (being subsidiary of the company) are consolidated with the accounts of the company. However, it would be shown as contingent liability in the financial statement of the company (listed entity).

We hope the above will clarify the position to you.

We request you to take it on your record.

Thanking you.

Yours faithfully

For Pritika Auto Industries Ltd.


C-B Gupta
Company Secretary

