

NOTICE TO SHAREHOLDERS

Notice is hereby given that the next Annual General Meeting of the shareholders of the Company will be held on **Monday, the 26th day of October, 2020** at 11.00 A.M at the registered office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2020 together with the Reports of the Board of Directors' and the Independent Auditors' thereon;

"RESOLVED THAT the Audited Financial Statement of the Company for the financial year ended on 31st March, 2020, alongwith Reports of the Auditors and Directors thereon, be and are hereby received, considered and adopted by the members of the Company."

2. To appoint Director in place of **Sh. Atul Modi** who retires by rotation and being eligible offer himself for re-appointment.
3. To re-appoint Statutory Auditors and fix their remuneration and in this regard, if thought fit, pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, **M/s VAK & Associates**, Chartered Accountants, Jammu (Firm Regn No. 019636N) be and are hereby re-appointment as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Next Annual General Meeting there from, pertaining to financial year ending 31st March, 2024, at a remuneration to be decided in consultation with such Auditors.

RESOLVED FURTHER THAT the said re-appointment of Statutory Auditors is subject to rectification at each Annual General Meeting held after this Annual General Meeting till the expiry of their re-appointment.

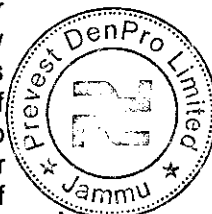
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all the acts and take such steps as may be necessary, papers or expedient to give effect to these resolutions."

SPECIAL BUSINESS:

4. Sub-division of share capital of the Company and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :-

"RESOLVED THAT, pursuant to the provisions of Section 13, Section 61(1)(d), Section 64 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Article 9 of Articles of Association, approvals of the members of the company, all the 100,000 (One Lakh) equity shares of Rs. 100 (Rupees One Hundred Only) each of the company be and are hereby sub-divided into 10,00,000 (Ten lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each sub divided in such a manner that 1 (One) equity share of Rs. 100 (Rupees Hundred Only) shall constitute 10 (Ten) equity shares of Rs. 10 (Rupees Ten Only) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following **new clause V**,"

"The Authorized share capital of the company is Rs. 1,00,00,000 (Rupees one Crore only) divided into 10,00,000 (Ten lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each"



"RESOLVED FURTHER THAT, the existing certificates of shares be called back by the Board of Directors and cancelled and that new certificates in respect of the equity shares of Rs. 10 (Rupees Ten Only) each be issued in lieu of the existing equity shares of Rs.100/- (Rupees Hundred Only) each in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014."

"RESOLVED FURTHER THAT, Board of director of the company be and is hereby authorized to take all the make necessary steps for giving effect the foregoing resolution, including recall of the existing shares certificates, issue of new share certificates in lieu of the existing issued share certificates and to do such other acts and deeds as may be necessary for giving effect to this resolution."

5. Alteration of Article of Association and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) and the rules framed thereunder and subject to approvals, permissions and sanctions from the appropriate authority, if any, the Articles of Association of the Company be and are hereby altered in the manner set out herein below:

The existing Article No. 5(a) be deleted and replaced with the following article:

- 5 (a) The share capital of the Company is the authorized share capital as mentioned in clause V of the Memorandum of Association of the Company divided into Equity share of Rs. 10 (Rupees Ten) each capable of being increased or decreased in accordance with the company's regulations, and legislative provisions for time to time being force in that behalf with power to divide the share capital, whether original or increased or decreased into several classes and attached there respectively such ordinary, preferential or special; right and conditions in such manner as may for time being be provided by the regulations of the company and allowed by law.

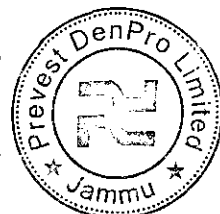
"RESOLVED FURTHER THAT Board of director of the company be and is hereby severally Authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Registrar of Companies or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

6. Increase in Authorised Capital and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to provisions of Sections 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 ("the Act") as amended, read with the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the provisions of Memorandum and Articles of Association of the Company, consent of the members of the company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 1,00,00,000.00 (Rupees One Crore only) divided into 1000000 Equity Shares of face value Rs. 10.00 each to **Rs. 12,50,00,000.00** (Rupees Twelve Crores & Fifty Lacs only) divided into 12500000 Equity Shares of face value Rs. 10.00 each shall rank pari-passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be substituted and shall be read as following Clause :

V. The Authorized Share Capital of the Company is **Rs. 12, 50, 00,000.00** (Rupees Twelve Crores & Fifty Lacs only) divided into 12500000 Equity Shares of face value Rs. 10.00 each.



RESOLVED FURTHER THAT Board of director of the company be and is hereby authorized to sign and file requisite e-form forms /returns and various documents as may be required to execute and submit to the Concerned Registrar of Companies (ROC) or such other authorities and to do all such acts, deeds and things which may be necessary to give effect to the above said resolution."

7. Adoption of Memorandum of Association and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution** :-

"RESOLVED THAT pursuant to the provisions of Sections 4, 13 and any other applicable provisions of the Companies Act, 2013 (**"the Act"**), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of members of the company be and is hereby accorded for alteration in the Memorandum of Association of the Company by merging the Objects of the Company mentioned under **Clause III (C) – "Other Objects"** with **Clause III (B) – "Objects Incidental or Ancillary to the attainment of the Main Objects of the Company"** and consequently changing the object numbering as may be appropriate;

RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the **Clause III (A) and III (B)** of the Memorandum of Association of the Company, be renamed as under:

Clause III (A) – The objects to be pursued by the Company on its incorporation are:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are :

To replace the existing Clause IV with the text prescribed under Schedule I of the Companies Act, 2013 to be read hereinafter as:

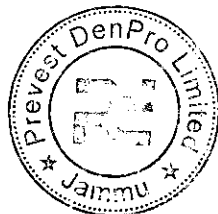
Clause IV - The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

"RESOLVED FURTHER THAT Board of director of the company be and is hereby severally Authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Registrar of Companies or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

8. Adoption of Article of Association and in this regard, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:-

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of Central Government (power delegated to Registrar of Companies) and consent of members of the company be and is hereby accorded to adopt the new set of Articles of Association pursuant to the Companies Act, 2013 so as to incorporate the new clauses as specified under the definition of Public Company under section 2(71) of the Companies Act, 2013 and other applicable clauses as may be suitable for Public Limited Company."

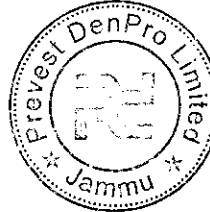
"RESERVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.



"RESOLVED FURTHER THAT Board of director of the company be and is hereby jointly or severally authorized to carry out necessary formalities with the concerned Registrar of Companies and any other authority as may be required and to do such acts and deeds and to sign such documents that may be required in respect of aforesaid alterations in the Memorandum of Association of the Company."

By Order of the Board of Directors

Place : Jammu
Date : 29-09-2020



ATUL MODI
Managing Director
DIN – 00788272

Notes: -

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member. Proxies in order to be effective should be duly completed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. A proxy form is appended herewith the attendance for use of the members.
2. Members desiring any information regarding accounts are requested to write to the company at an early date to enable the management to keep information ready at the meeting.
3. A Route Map along with Prominent Landmark for easy location to reach the venue of Annual General Meeting is annexed with the notice of Annual General Meeting as per the requirement of Secretarial Standards-1 (SS-1) as issued by the Institute of Company Secretaries of India (ICSI).
4. All documents referred to in the accompanying notice are open for inspection at Registered Office of the Company during office hours on all working days between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
5. The Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto and forms part of the Notice.

- Copy to**
1. All Shareholders of the Company
 2. All Directors of the Company
 3. Statutory Auditors

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Sub-division of share capital of the Company

The Board of Directors in its meeting held on Tuesday, September 29, 2020 recommended sub division of equity shares (Authorised, Issued, Subscribed and Paid up capital) of the company, so that each equity share of nominal value of Rs. 100/- (Rupees Hundred Only) each be sub divided in to 10 shares of nominal value of Rs. 10 each and consequently following clause be substituted.

“The Authorized share capital of the company is Rs. 1,00,00,000 (Rupees one Crore only) divided into 10,00,000 (Ten lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each”

The aforesaid sub division of shares of Rs. 100/- each into shares of Rs. 10/- each would require consequential amendment to existing capital **clause V** of the Memorandum of Association.

Pursuant to Sections 13, 61 and 64 and applicable provisions of the Companies Act, 2013, aforesaid sub division of shares requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The Board recommends the Resolution as set out in the Notice for approval of the members of the Company by way of Ordinary Resolution.

The copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business hours.

None of the Directors, Key Managerial Personnel (KMP) of the company and their relative (s) is in any way concerned or interested in the above referred resolution except as shareholders of the Company.

Item No. 5

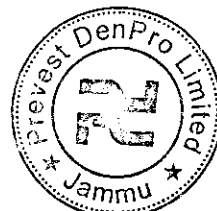
Alteration of Articles of Association of the Company

The Board of Directors in its meeting held on Tuesday, September 29, 2020 decided that the aforesaid sub division of shares of Rs. 100/- each into shares of Rs. 10/- each would require the Articles of Association of the Company be and are hereby altered in the manner set out herein below:

The existing Article No. 5(a) be deleted and replaced with the following article:

- 5 (a) The share capital of the Company is the authorized share capital as mentioned in clause V of the Memorandum of Association of the Company divided into Equity share of Rs. 10 (Rupees Ten) each capable of being increased or decreased in accordance with the company's regulations, and legislative provisions for time to time being force in that behalf with power to divide the share capital, whether original or increased or decreased into several classes and attached there respectively such ordinary, preferential or special; right and conditions in such manner as may for time being be provided by the regulations of the company and allowed by law.

Pursuant to Sections 14 and applicable provisions of the Companies Act, 2013, Alteration of Articles of Association of the Company requires approval of the members of the Company by way of passing a Special Resolution to that effect. The Board recommends the Resolution as set out in the Notice for approval of the members of the Company by way of Special Resolution.



None of the Directors, Key Managerial Personnel (KMP) of the company and their relative (s) is in any way concerned or interested in the above referred resolution except as shareholders of the Company.

Item No. 6

To Increase the Authorized Share Capital of the Company:-

In order to Increase the Business opportunities and to expand Business avenues, the Board of Directors proposed to increase the authorised share capital of the company from existing Rs. 1,00,00,000/- (Rupees One Crore only) divided into 1000000 Equity Shares of face value Rs. 10.00 each to Rs. 12,50,00,000.00 (Rupees Twelve Crores & Fifty Lacs only) divided into 12500000 Equity Shares of face value Rs. 10.00 each by increasing of 11500000 Equity Shares of face value Rs. 10.00 each shall rank pari - passu in all respect with the existing Equity Shares of the Company.

The increase in the Authorised Share Capital of the Company shall also require consequential amendment(s) in the **Clause V** of the Memorandum of Association of the Company.

Pursuant to Sections 13, 61 and 64 and applicable provisions of the Companies Act, 2013, alteration of the Capital Clause requires approval of the members of the Company by way of passing an Ordinary Resolution to that effect.

The copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business hours.

None of the Directors, Key Managerial Personnel (KMP) of the company and their relative (s) is in any way concerned or interested in the above referred resolution except as shareholders of the Company.

Item No. 7

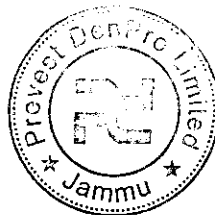
Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013

The Company has to adopt the new set of Memorandum of Association in substitution for and exclusion of all existing Clauses in due compliance with the provisions, rules & regulations of New Companies Act, 2013. The draft of new Memorandum of Association was put before the board for discussion and which was noted and adopted by the board.

Further approval of the members of the Company is required for giving effect to the alteration of Memorandum of Association of the company and it was necessary to convene a General Meeting of the Company for same.

After some discussion, following resolution was passed;

“RESOLVED THAT pursuant to the provisions of Sections 4, 13 and any other applicable provisions of the Companies Act, 2013 (**“the Act”**), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, and subject to approval of members, consent of the board of directors be and is hereby accorded for alteration in the Memorandum of Association of the Company by merging the Objects of the Company mentioned under **Clause III (C) – “Other Objects”** with **Clause III (B) – “Objects Incidental or Ancillary to the attainment of the Main Objects of the Company”** and consequently changing the object numbering as may be appropriate;



RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the **Clause III (A) and III (B)** of the Memorandum of Association of the Company, be renamed as under:

Clause III (A) – The objects to be pursued by the Company on its incorporation are:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

To replace the existing Clause IV with the text prescribed under Schedule I of the Companies Act, 2013 to be read hereinafter as:

Clause IV- The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

“RESOLVED FURTHER THAT Board of director of the company be and is hereby jointly or severally Authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Registrar of Companies or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

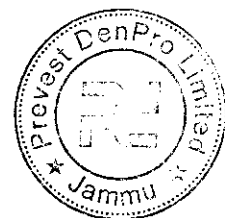
Item No. 8

It was decided by the Board that pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of Central Government (power delegated to Registrar of Companies) and consent of members of the company be and is hereby accorded to adopt the new set of Articles of Association pursuant to the Companies Act, 2013 so as to incorporate the new clauses as specified under the definition of Public Company under section 2(71) of the Companies Act, 2013 and other applicable clauses as may be suitable for Public Limited Company

None of the Directors is concerned or interested in this resolution.

Place : Jammu
Date : 29-09-2020


ATUL MODI
Managing Director
DIN – 00788272



PREVEST DENPRO LIMITED

REGD. OFFICE : 38, INDUSTRIAL ESTATE, DIGIANA, JAMMU – 180010 (J&K)
CIN - U85199JK1999PLC001969

BOARDS' REPORT

To
The Members
PREVEST DENPRO LIMITED

Your Directors have pleasure in presenting the Annual Report of the Company together with the audited accounts for the year ended March 31, 2020.

FINANCIAL PERFORMANCE AT A GLANCE

FINANCIAL RESULTS

| Particulars | Period ended 31.03.2020 (In ₹) | Period ended 31.03.2019 (In ₹) |
|---|-----------------------------------|-----------------------------------|
| Revenue from Operations | 22,76,93,317.68 | 19,27,73,589.34 |
| Other Income | 1,74,89,710.72 | 49,63,175.63 |
| Expenses for the period | 18,37,90,262.75 | 16,08,60,376.24 |
| Profit / (Loss) before tax from continuing operations | 6,13,92,765.65 | 3,68,76,388.73 |
| • Current Income Tax for the period | 1,02,47,680.44 | 77,79,134.00 |
| • Deferred Tax | (10,470.01) | 82,671.87 |
| • Profit / (Loss) for the period | 5,11,55,555.22 | 2,90,14,582.86 |

BOARD OF DIRECTORS

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act 2013. All directors are appointed on non-rotational basis till they voluntary resign.

As on date of this report, the Board of Directors consists of following members :

| S. No. | Name | Designation | DIN | Date of Appointment | Date of Cessation / Re-designation |
|--------|-----------------------|-------------------|----------|---------------------|------------------------------------|
| 1. | Atul Modi | Managing Director | 00788272 | 05-05-1999 | - |
| 2. | Namrata Modi | Director | 00788266 | 05-05-1999 | - |
| 3. | Vimla Modi | Director | 00788256 | 05-05-1999 | - |
| 4. | Sai Kalyan Surapaneni | Director | 07330470 | 01-08-2019 | - |

There was no appointment, cessation and change in designation of any Director during the Financial Year ended on 31st March, 2020.

MEETINGS OF BOARD OF DIRECTORS :

During the year, the Directors of the Company met on the following dates :

| Date of Meeting | Place of Meeting | Directors Present |
|-----------------|--|---|
| 30-04-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi & Vimla Modi |
| 15-06-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi & Vimla Modi |
| 02-07-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi & Vimla Modi |
| 08-07-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi & Vimla Modi |
| 20-07-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi & Vimla Modi |
| 01-08-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 03-09-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 20-09-2019 | 38, Industrial Estate, Digiana, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 30-09-2019 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 02-12-2019 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 23-01-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 10-02-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 17-02-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 26-02-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 07-03-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |
| 20-03-2020 | EPIP Kartholi, Bari Brahmana, Samba, Jammu - (J&K) | Atul Modi, Namrata Modi, Vimla Modi & Sai Kalyan Surapaneni |

TRANSFER TO RESERVE

During the year there was no transfer to General Reserves.

DIVIDEND

During the year, your directors have decided not to declare any dividend.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s VAK & Associates, Chartered Accountants (having Firm Registration Number : 019636N) with hold office upto the conclusion of the Annual General Meeting pertaining to the financial year ending 31st March, 2024, subject to their ratification at each Annual General Meeting until then.

There where no material reservations, qualifications or adverse marks observe by the Board in the Auditors Reports.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial position relates and the date of this Report.

PUBLIC DEPOSITS

Your Company has not accepted any public deposit from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rules, 2014 made there-under and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet and also on the date of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors declare as prescribed under sub section 5 of Section 134 of the Companies Act, 2013, as amended up-to-date, that:

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- Such accounting policies had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts are prepared on a going concern basis.
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the financial year, the Company has not made any investments or provided loans or guarantees to any other company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of Contract or Arrangements made with related parties made pursuant to Section 188 are furnished in Annexure - 1 in Form AOC - 2 and are attached to this report.

COMMENTS OF THE BOARD OF DIRECTORS ON QUALIFICATIONS, RESERVATIONS MADE BY THE STATUTORY AUDITORS

The Statutory Auditor has not made any qualifications or reservation in their Independent Auditors Report.

EXTRACT OF ANNUAL RETURN

An Extract of Annual Return in Form MGT - 9 is annexed to this report as Annexure - 2

STATUTORY INFORMATION

The particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are set out hereunder :

- **PERSONNEL**

None of the Employees drawing remuneration in excess of the limit prescribed under Section 197 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- **ENERGY CONSERVATION RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

(A) Conservation of energy

| | | |
|-------|--|--|
| (i) | The steps taken or impact on conservation of energy | The Company requires energy for its operations and every endeavor has been made to ensure the optimum use of energy, avoid wastage and conserve energy as far as possible. |
| (ii) | The steps taken by the Company for utilizing alternate sources of energy | As the Company is not a manufacturing concern, the amount of energy consumed does not justify the use of alternate sources of energy. Therefore alternative sources have not been utilizing the Company. |
| (iii) | The Capital investment on energy conservation equipments | No separate investment on energy conservation equipments has been made. However most of the electrical equipments fitted in the Company premises are power savers. |

(B) Technology absorption

| | | |
|-------|--|---|
| (i) | the efforts made towards technology absorption | The Company has been constantly in touch with the latest updates in the international market and has been evolving its technology to maintain it in line with that of the key players across the globe. |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | The above efforts have led to rise in the quality of Company's offerings with affordable pricing and enhanced features. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year | |
| | (a) the details of technology imported | NA |
| | (b) the year of import | NA |
| | (c) whether the technology been fully absorbed | NA |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | NA |
| (iv) | the expenditure incurred on Research and Development | NIL |

- **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earnings and outgo are given below :

| Particulars | 2019 – 20 (₹) | 2018 – 19 (₹) |
|---------------------------|-----------------|-----------------|
| Foreign Exchange Earnings | 15,45,23,384.00 | 11,29,41,330.00 |
| Foreign Exchange outgo | 5,25,46,866.00 | 3,95,26,095.00 |

RISK MANAGEMENT POLICY

Your Company follows a compressive and effective of the Risk Management. The Company has adopted a set of procedures for Risk Assessment and its minimization, it insure that all the risks are timely identified and mitigated in accordance with well structured Risk Management process. The management periodically reviews the Risk Management Process.

INTERNAL CONTROL SYSTEMS AND STANDARDS

The Company has built adequate internal control systems towards achieving efficiency and effectiveness in operations, optimum utilization of resources, cost reduction and effective monitoring thereof.

The internal control mechanisms comprise a well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with size and capacity of the organization, faster decision making and fixing the level of responsibility.

ACCLAMATION

Your Director wish to place on record their sincere thanks to the Shareholders and Clients for their overwhelming support. Your Directors also wish to record their appreciation to employees at all the levels for dedications and enthusiasm displayed by them.

By Order of the Board of Directors

M/s. PREVEST DENPRO LIMITED

Date : 29-09-2020
Place : Jammu


ATUL MODI
Managing Director
DIN - 00788272


NAMRATA MODI
Director
DIN – 00788266

Form MGT – 9

Extract of Annual Return as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN (Company Incorporation Number) : U85199JK1999PLC001969
- ii) Registration Date : 05-05-1999
- iii) Name of the Company : PREVEST DENPRO LIMITED
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : 38, Industrial Estate, Digiana, Jammu – 180010 (J&K)
- vi) Whether Listed Company : No
- vii) Name, Address and Contact details of the Registrar and Transfer agent, if any : No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

| S. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the Company |
|--------|--|-----------------------------------|------------------------------------|
| 1. | To carry on the business of trading, manufacturing, marketing, providing, engineering, services and consultancy of and for Dental materials, Pharmaceuticals, cosmetics, medical and health care products, Dental appliances and Equipments, Minerals, Chemicals, Polymers and Resins. | 85199 | 100 |
| 2. | To import export and to act as consigner consignee or agent to sell items referred to in such clause (1) above for self or others on principal basis or otherwise. | 85199 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No. | Name and Address of the Company | CIN/ GLN | Holding / Subsidiary Associate | % of shares held | Applicable Section |
|--------|---------------------------------|----------|--------------------------------|------------------|--------------------|
| | NIL | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

- i) Category-wise Share Holding

[illegible]

| | | | | | | | | | |
|--|---|-------|-------|-----|---|-------|-------|-----|-----|
| i) Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub – Total (B)(1) :- | - | NIL | - | - | - | - | - | - | - |
| 2. Non – Institutions | - | NIL | - | - | - | - | - | - | - |
| a) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lac | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac | - | - | - | - | - | - | - | - | - |
| c) Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub – Total (B)(2) :- | - | NIL | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | - | NIL | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | - | NIL | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 28500 | 28500 | 100 | - | 28500 | 28500 | 100 | NIL |

(ii) **Shareholding of Promoters**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|-----------|-----------------------|--|---|---|---|--|---|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| | | | | | | | | |
| 01. | Vimla Modi | 260 | 0.91 | NIL | 260 | 0.91 | NIL | NIL |
| 02. | Atul Modi | 14268 | 50.06 | NIL | 14268 | 50.06 | NIL | NIL |
| 03. | Namrata Modi | 13932 | 48.88 | NIL | 13932 | 48.88 | NIL | NIL |
| 04. | Virender Mattoo | 10 | 0.04 | NIL | 10 | 0.04 | NIL | NIL |
| 05. | Niharika Modi | 10 | 0.04 | NIL | 10 | 0.04 | NIL | NIL |
| 06. | Nikhil Modi | 10 | 0.04 | NIL | 10 | 0.04 | NIL | NIL |

| | | | | | | | | |
|-----|--------------|--------------|--------------|-----|--------------|--------------|-----|-----|
| 07. | Alka Beotra | 10 | 0.04 | NIL | 10 | 0.04 | NIL | NIL |
| | | | | | | | | |
| | Total | 28500 | 100 % | | 28500 | 100 % | | |

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

| S. No. | | Shareholding in the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | At the beginning of the year | 28500 | 100 | 28500 | 100 |
| | Date wise Increase / Decrease in Promoters Share holding the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | No Change | | | |
| | At the End of the year | 28500 | 100 | 28500 | 100 |

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

| S. No. | | Shareholding in the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | For Each of the Top 10 Shareholders | | | | |
| | At the beginning of the year | NIL | | | |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) : | NIL | | | |
| | At the End of the year (or on the date of separation, if separated during the year) | | | | |

(v) **Shareholding of Directors and Key Managerial Personnel :**

| S. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1. | Atul Modi Managing Director | | | | |
| | At the beginning of the year | 14268 | 50.06 % | 14268 | 50.06 % |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the End of the year | 14268 | 50.06 % | 14268 | 50.06 % |
| 2. | Namrata Modi Director | | | | |
| | At the beginning of the year | 13932 | 48.88 % | 13932 | 48.88 % |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the End of the year | 13932 | 48.88 % | 13932 | 48.88 % |
| 3. | Vimla Modi Director | | | | |
| | At the beginning of the year | 260 | 0.91 % | 260 | 0.91 % |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | No Change | | | |
| | At the End of the year | 260 | 0.91 % | 260 | 0.91 % |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the | | | | |

| | | | | |
|--|---------------------|-----------------------|----------|-----------------------|
| beginning of the financial year | | | | |
| i) Principal Amount | 6,60,921.72 | 1,35,28,870.51 | - | 1,41,89,792.23 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 6,60,921.72 | 1,35,28,870.51 | - | 1,41,89,792.23 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 7,19,555.52 | 15,37,883.00 | - | 22,57,438.52 |
| * Reduction | - | - | - | - |
| Net Change | 7,19,555.52 | 15,37,883.00 | - | 22,57,438.52 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 13,80,477.24 | 1,50,66,753.51 | - | 1,64,47,230.75 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not paid due | - | - | - | - |
| Total (i+ii+iii) | 13,80,477.24 | 1,50,66,753.51 | - | 1,64,47,230.75 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

| S. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | Total Amount |
|--------|--|----------------------------|---|---|---|--------------|
| | | Atul Modi | | | | |
| 1. | Gross Salary | 60,00,000 | - | - | - | 60,00,000.00 |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - | - | - |
| | b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | - | - | - |
| | c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - | - | - |
| 2. | Fee for attending Meeting | 5,85,000 | - | - | - | 5,85,000.00 |
| 3. | Stock Option | - | - | - | - | - |
| 4. | Sweat Equity | - | - | - | - | - |
| 5. | Commission | - | - | - | - | - |
| | - as % of Profit | - | - | - | - | - |
| | - others, specify.... | 9,44,527 | - | - | - | 9,44,527.00 |

| | | | | | | |
|----|------------------------|-----------|---|---|---|--------------|
| 6. | Others, please specify | - | - | - | - | - |
| | Total (A) | 75,29,527 | - | - | - | 75,29,527.00 |
| | Ceiling as per the Act | - | - | - | - | - |

B. Remuneration to other Directors :

| S. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | Total Amount |
|--------|--|----------------------------|---|---|---|-----------------------------|
| | 1. Independent Directors | - | - | - | - | NIL |
| | * Fee for attending board committee meetings | - | - | - | - | NIL |
| | * Commission | - | - | - | - | NIL |
| | * Others, please specify | - | - | - | - | NIL |
| | Total (1) | - | - | - | - | NIL |
| | 2. Other Non – Executive Directors | Namrata Modi | | | | |
| | * Fee for attending board committee meetings | 5,85,000 | - | - | - | 5,85,000.00 |
| | * Commission | - | - | - | - | - |
| | * Others, please specify Rent | 4,80,000 | - | - | - | 4,80,000.00 |
| | - as % of Profit | - | - | - | - | - |
| | - others, specify(Salary) | 5,94,356 60,00,000 | - | - | - | 5,94,356.00 60,00,000.00 |
| | Total (2) | 76,59,356 | - | - | - | 76,59,356.00 |
| | Total (B) = (1+2) | 76,59,356 | - | - | - | 76,59,356.00 |
| | Total Managerial Remuneration | 76,59,356 | - | - | - | 76,59,356.00 |
| | Overall Ceiling as per the Act | - | - | - | - | - |

C. Remuneration to key managerial personnel other than MD / MANAGER / WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|--------|--|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross Salary | NIL | NIL | NIL | NIL |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - | NIL |
| | b) Value of perquisites u/s 17(2) Income – tax Act, 1961 | - | - | - | NIL |
| | c) Profits in lieu of Salary under Section 17(3) Income - tax Act, 1961 | - | - | - | NIL |
| 2. | Stock Option | - | - | - | NIL |
| 3. | Sweat Equity | - | - | - | NIL |

| | | | | | |
|----|------------------------|---|---|---|-----|
| 4. | Commission | - | - | - | NIL |
| | - as % of Profit | - | - | - | NIL |
| | - others, specify | - | - | - | NIL |
| | | | | | |
| 5. | Others, please specify | - | - | - | NIL |
| | | | | | |
| | Total | - | - | - | NIL |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

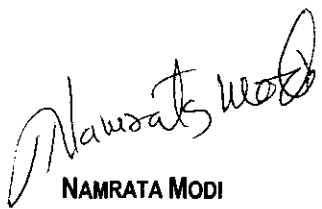
| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding Fees imposed | Authority [RD / NCLT / Count] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B. DIRECTORS | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

By Order of the Board of Directors

M/s. PREVEST DENPRO LIMITED

Date : 29-09-2020
Place : Jammu


ATUL MODI
Managing Director
DIN - 00788272


NAMRATA MODI
Director
DIN - 00788266

| Form No. AOC – 2 | | |
|---|--|--|
| (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) | | |
| Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto | | |
| 1. Details of contracts or arrangements or transactions not at arm's length basis | | |
| (a) Name(s) of the related party and nature of relationship | NIL | |
| (b) Nature of contracts / arrangements / transactions | | |
| (c) Duration of the contracts / arrangements / transactions | | |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | | |
| (e) Justification for entering into such contracts or arrangements or transactions | | |
| (f) Date(s) of approval by the Board | | |
| (g) Amount paid as advances, if any | | |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | | |
| 2. Details of material contracts or arrangement or transactions at arm's length basis | | |
| (a) Name(s) of the related party and nature of relationship | Sh. Atul Modi – Managing Director Smt. Namrata Modi – Director | |
| (b) Nature of contracts / arrangements / transactions | Salary, Interest, Director's Fee & Rent | |
| (c) Duration of the contracts / arrangements / transactions | Current Year | |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any | <u>ATUL MODI</u> ₹ 60,00,000.00 ₹ 9,44,527.00 ₹ 5,85,000.00 ₹ 0.00 <hr/> ₹ 75,29,527.00 | <u>NAMRATA MODI</u> ₹ 60,00,000.00 ₹ 5,94,356.00 ₹ 5,85,000.00 ₹ 4,80,000.00 <hr/> ₹ 76,59,356.00 |
| (e) Date(s) of approval by the Board, if any | N.A. | |
| (f) Amount paid as advances, if any | N.A. | |

For and on behalf of Board of Directors

M/s. PREVEST DENPRO LIMITED

Date : 29-09-2020
Place : Jammu


ATUL MODI
Managing Director
DIN - 00788272


NAMRATA MODI
Director
DIN - 00788266

**Independent Auditors' Report
To the Members of Prevest Denpro Limited**

(1). Report on the Financial Statements:

We have audited the accompanying financial statements of **Prevest Denpro Limited**, EPIP-Kartholi, Bari Brahmana Samba, Jammu-181133 (J&K) which comprise the Balance Sheet as at 31st of March, 2020, the Statement of Profit and Loss, the Cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

(2). Management's Responsibilities for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

(3). Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into accounts the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

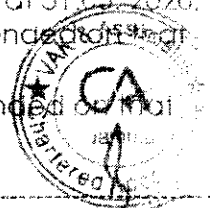
We conducted our audit in accordance with the standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

(4). Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31.03.2020;
- b) In the case of statements of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow Statements, of the cash flows for the year ended on that date.



(5). Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the statements of Profit and Loss, and Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from appointed as a director in terms of Section 164(2) of the Act.
 - f) The company has adequate internal financial control system in place which is operating effectively.
 - g) In compliance to the provisions of Section 197(16) of the Companies Act, 2020, we hereby state that the remuneration paid to it directors is in accordance with the provisions of Section 143 of the Companies Act, 2013.
 - h) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations against it which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - vi) In our opinion and to the best of our information and according to the explanations given to us,
the said accounts give the information required by the Companies Act, 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - (a) in the case of Balance Sheet, of the state of affairs of the company as at 31.03 2020; and
 - (b) in the case of Profit and Loss Account, of the profit for the year ended on that date.

For VAK & Associates.
Chartered Accountants,
Firm Regn No: 019636N



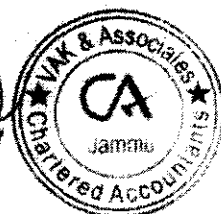
(CA. Vinay Jamwal)

Partner,

MNo: 502417

Place: Jammu

Dated: 29.09.2020



CARO

Annexure "A" referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our even date to the members of Prevest Denpro Limited for the year ended 31st March, 2020.

This annexure forms part of Independent Auditor Report, 2019-2020.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of fixed assets:
 - a) The company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets.
 - b) The fixed assets have been physically verified by the management during the year in accordance with the phased program of verification adopted by the management which, in our opinion provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - a) Physical verification of inventory has been conducted at reasonable intervals by the management:
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business,
 - (c) In our opinion, the company is maintaining proper records on inventory and no material discrepancies were noticed on physical verification.
3. In respect of the loans, secured or unsecured, granted to the parties covered in register maintained under section 189 of the Companies Act, 2013:
 - a) The companies has not granted any loans, secured or unsecured, to companies firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

However, the company has taken loans from such parties, the details of which is as follows:

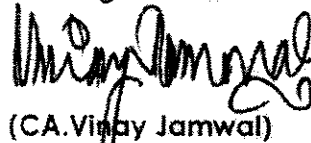
| Name of the Party | Amount Borrowed (In INR) | Remarks |
|-------------------|--------------------------|---|
| Atul Modi | 92.35 Lakh | The amount is unsecured and in our opinion, the terms are not prejudicial to the interest of the company. |
| Namrata Modi | 58.31 Lakh | The amount is unsecured and in our opinion, the terms are not prejudicial to the interest of the company. |

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of the stores, raw materials including components, plant & machinery, equipment and other assets and for the sale of the goods. During the course of our audit, we have not observed any major weakness in the internal controls.
6. The company has not accepted any deposits during the financial year in contravention of the directives of the Reserve Bank of India and sections 73 to 76 of the Companies Act and rules framed there under.
7. As informed to us, the Central Government has not prescribed maintenance of records under sub-section (1) of section 148 of the Act, in respect of the activities carried on by the company.

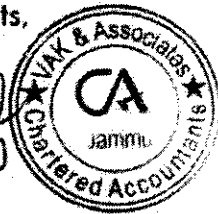
VAK & Associates.
Chartered Accountants,
H.O: 18-A/B, Gandhi Nagar, Jammu
Phones: 0191-2432845: 9419190386
Email: vakjmu@gmail.com

8. a) According to the records of the company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities in India.
- b) According to the records of the company examined by us, no undisputed amounts is payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at 31.03.2020.
9. The Company has no accumulated losses as at 31st March 2020 and it has incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
10. The Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
11. The Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
12. In our opinion and according to the information and explanations given to us, term loans have been used for the purpose for which they were raised.
13. No money has been raised by way of public offer.
14. No fraud by the company or on the company by its employees has been noticed or reported during the year.
15. Company is not a nidhi company.
16. All the transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed as per the applicable standards and
17. The company has not entered into any non-cash transactions with directors or persons connected with them.

For VAK & Associates.
Chartered Accountants,
FirmRegnNo:019636N


(CA. Vinay Jamwal)

Partner
MNo: 502417
Place: Jammu
Date: 29.09.2020

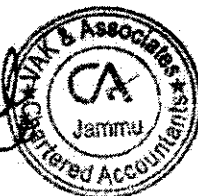


PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
(In INR)
BALANCE SHEET AS AT 31.03.2020

| Particulars | NoteNo. | 2019-2020 | 2018-2019 |
|--|---------|---------------------|---------------------|
| Equity & Liabilities | | | |
| 1.Shareholders funds: | | | |
| 1a.Share Capital | 1 | 2850000.00 | 2850000.00 |
| 1b.Reserves and Surplus | 2 | 143283724.76 | 92128169.54 |
| 2.Share Application Money pending Allotment: | | 0.00 | 0.00 |
| 3.Non-Current liabilities: | | | |
| 3a.Long-Term Borrowings | 3 | 16447230.75 | 14189792.23 |
| 3b.Deferred Tax Liabilities (net) | 4 | 72201.86 | 82671.87 |
| 3c.Other Long Term Liabilities | | 0.00 | 0.00 |
| 3d.Long Term Provisions | | 0.00 | 0.00 |
| 4.Current Liabilities: | | | |
| 4a.Short Term Borrowings | | 0.00 | 0.00 |
| 4b.Trade Payables | 5 | 17567860.77 | 13714410.70 |
| 4c.Other Current Liabilities | 6 | 20000059.32 | 1221868.41 |
| 4d.Short Term Provisions | 7 | 10247680.44 | 7779134.00 |
| Total | | 210468757.90 | 131966046.75 |
| Assets | | | |
| 1.Non-Current Assets: | | | |
| 1a.Fixed Assets | | | |
| 1ai.Tangible Assets | 8 | 43975202.41 | 42917812.10 |
| 1aii.Intangible Assets | | 0.00 | 0.00 |
| 1aiii.Capital Work in Progress | 9 | 1092042.00 | 0.00 |
| 1a(iv).Intangible Assets under Development | | 0.00 | 0.00 |
| 1b.Non-Current Investments | | 0.00 | 0.00 |
| 1c.Deferred Tax Assets (net) | | 0.00 | 0.00 |
| 1d.Long Term Loans & Advances | | 0.00 | 0.00 |
| 1e.Other Non-Current Assets | | 0.00 | 0.00 |
| 2.Current Assets: | | | |
| 2a.Current Investments | | 0.00 | 0.00 |
| 2b.Inventories | 10 | 11303574.52 | 4990891.24 |
| 2c.Trade Receivables | 11 | 21569917.60 | 9263694.97 |
| 2d.Cash and Cash Equivalents | 12 | 102727225.56 | 60619556.06 |
| 2e.Short Term Loans and Advances | 13 | 9229885.57 | 0.00 |
| 2f.Other Current Assets | 14 | 20570910.24 | 14174092.38 |
| Total | | 210468757.90 | 131966046.75 |

Notes to Accounts:
Subject to our report of even date.
For VAK & Associates.
Chartered Accountants,
FirmRegnNo.019636N

Vinay Jamwal
(CA. Vinay Jamwal)
Partner.
MNo: 502417
Place: Jammu
Dated: 29.09.2020



Prevest Denpro Limited
For and on behalf of the Board of Directors

Atul Modi Managing Director
(Atul Modi) (Namrata Modi)
Managing Director Executive Director

DIN-00788272

DIN-00788272

Namrata Modi

PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
(In INR)

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2020

| Particulars | Note No. | 2019-2020 | 2018-2019 |
|---|----------|---------------------|---------------------|
| Continuing Operations | | | |
| I. Revenue from Operations | 15 | 227693317.68 | 192773589.34 |
| II. Other Incomes | 16 | 17489710.72 | 4963175.63 |
| III. Total Revenue (a) | | <u>245183028.40</u> | <u>197736764.97</u> |
| IV. Expenses | | | |
| 1. Cost of Raw Materials Consumed | 17 | 70455504.23 | 65055328.67 |
| 2. Purchase of Stock in Trade | | 0.00 | 0.00 |
| 3. Change in Inventories (WIP&FGs) | 18 | -575157.00 | -122167.00 |
| 4. Employee Benefits Cost | 19 | 46227931.20 | 35652571.19 |
| 5. Finance Costs | 20 | 1759837.52 | 1496816.46 |
| 6. Depreciation | 21 | 5474916.63 | 4706193.94 |
| 7. Other Expenses | 22 | 60447230.17 | 54071632.98 |
| V. Total Expenses (b) | | <u>183790262.75</u> | <u>160860376.24</u> |
| V. Profit before Exceptional & Extraordinary Items & Tax (I-II) | | 61392765.65 | 36876388.73 |
| VI. Exceptional Items | | 0.00 | 0.00 |
| VII. Profit before Extraordinary Items & Tax | | 61392765.65 | 36876388.73 |
| VIII. Extraordinary Items | | 0.00 | 0.00 |
| IX. Profit before tax | | 61392765.65 | 36876388.73 |
| X. Tax Expense a. Current Tax | | 10247680.44 | 7779134.00 |
| b. Deferred Tax | | -10470.01 | 82671.87 |
| XI. Profit for the period from Continuing Operations | | 51155555.22 | 29014582.86 |
| XII. Profit from Discontinuing Operations | | 0.00 | 0.00 |
| XIII. Tax Expense of Discontinuing Operations | | 0.00 | 0.00 |
| XIV. Profit from Discontinuing Operations after Tax | | 0.00 | 0.00 |
| XV. Profit for the period | | 51155555.22 | 29014582.86 |
| XVI. Earning per share (equated) | | 1794.93 | 1018.06 |

As an annexure to the Balance Sheet.

For VAK & Associates.

Chartered Accountants.

Firm Regn No. 019636N

(Signature)
(CA Vinay Jaiswal)
Partner.

MNo: 502417

Place: Jammu

Dated: 29.09.2020



Prevest Denpro Limited

For and on behalf of the Board of Directors

(Signature)
(Atul Modi)
Managing Director

(Signature)
(Namrata Modi)
Executive Director

DIN - 00788272

DIN - 00788266

PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
(In INR)

STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR 2019-2020

| Particulars | 2019-2020 | 2018-2019 |
|--|---------------------|--------------------|
| Cash In Flow | | |
| 1.Excess of Receipts over Payments | 63152603.17 | 38373205.19 |
| 2.Increase in Capital Reserves | 0.00 | 0.00 |
| 3.Increase in Long Term Borrowings | 2257438.52 | 2532949.46 |
| 4.Depreciation w/off | 5474916.63 | 4706193.94 |
| 5.Increase in Deferred Tax Liability | 0.00 | 82671.87 |
| 6.Increase in Trade Payables | 3853450.07 | 0.00 |
| 7.Increase in Other Current Liabilities | 18778190.91 | 0.00 |
| 8.Decrease in Trade Receivables | 0.00 | 6174837.90 |
| 9.Decrease in Advances & Deposits | 0.00 | 4252326.44 |
| 10.Increase in Short Term Provisions | 2479016.45 | 3416456.00 |
| Sub-Total (a) | 95995615.75 | 59538640.80 |
| Cash Out Flow | | |
| 1.Fixed Assets | 6532306.94 | 13974806.31 |
| 2.Increase in Capital Work-in-Progress | 1092042.00 | 0.00 |
| 3.Repayment of Long Term Borrowings | 0.00 | 0.00 |
| 4.Finance Cost | 1759837.52 | 1496816.46 |
| 5.Additional Provisions for Tax Payments | 0.00 | 2049226.44 |
| 6.Decrease in Deferred Tax Liability | 10470.01 | 0.00 |
| 7.Decrease in Trade Payables | 0.00 | 1605349.62 |
| 8.Increase in Trade Receivables | 12306222.63 | 0.00 |
| 9.Increase in Advances & Deposits | 9229885.57 | 0.00 |
| 10.Increase in Other Current Assets | 6396817.86 | 4477996.79 |
| 11.Decrease in Other Current Liabilities | 0.00 | 9194753.85 |
| 12.Increase in Closing Stock | 6312683.28 | 122781.31 |
| 13.Income Tax Paid | 10247680.44 | 7861805.87 |
| Sub-total (b) | 53887946.25 | 40783536.65 |
| Opening | 60619556.06 | 41864451.91 |
| Surplus (a-b) | 42107669.50 | 18755104.15 |
| Closing Balance | 102727225.56 | 60619556.06 |

As an annexure to the Balance Sheet.
For VAK & Associates.
Chartered Accountants,
Firm Regn No. 019636N

(CA. Vinay Jamwal)
Partner.
MNo: 502417
Place: Jammu
Dated: 29.09.2020



For and on behalf of the Board of Directors

(Atul Modi)
Managing Director



(Namrata Modi)
Executive Director



STATEMENT OF NOTES TO THE BALANCE SHEET AS AT 31.03.2020

Note-8: Tangible Assets (as per Companies Act, 2013)

| Assets | Freehold Land | Leased Freehold Land | Leasehold Land | Building (including office building) | Leased Building | Owned Plant & Machinery | Loose Tools | Furniture Fixtures | Office Equipments | Vehicles | Computers | Electric Installation | Total Tangible Assets |
|--|---------------|----------------------|----------------|--------------------------------------|-----------------|-------------------------|-------------|--------------------|-------------------|------------|------------|-----------------------|-----------------------|
| Cost at beginning of the period | 0.00 | 0.00 | 1638858.50 | 31956886.51 | 0.00 | 17207438.22 | 0.00 | 4367178.87 | 3843212.87 | 7713201.00 | 1262082.16 | 3224101.66 | 71212959.79 |
| Additions relating to acquisitions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Additions | 0.00 | 0.00 | 610736.00 | 0.00 | 0.00 | 2433142.91 | 0.00 | 226195.06 | 712036.00 | 1970319.00 | 267457.67 | 819004.30 | 7038890.94 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposal of group undertakings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other reclassifications | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange differences capitalised | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange differences on consolidations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Cost at the end of the period | 0.00 | 0.00 | 2249594.50 | 31956886.51 | 0.00 | 19640581.13 | 0.00 | 4593373.93 | 4555248.87 | 9683520.00 | 1529539.83 | 4043105.96 | 78251850.73 |
| Impairment at the beginning | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Additions relating to acquisitions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Charge for the period | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Reversals during the period | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 506584.00 | 0.00 | 0.00 | 506584.00 |
| Disposal of group undertakings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers between group undertakings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other reclassifications | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange differences on consolidations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Impairment at end of the period | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 506584.00 | 0.00 | 0.00 | 506584.00 |
| Depreciation at beginning of the period | 0.00 | 0.00 | 0.00 | 8963580.52 | 0.00 | 7985826.11 | 0.00 | 2264407.64 | 2148566.65 | 2978746.03 | 1198245.16 | 2755775.58 | 28295147.69 |
| Additions relating to acquisitions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Charge for the period | 0.00 | 0.00 | 0.00 | 1064164.32 | 0.00 | 1965841.83 | 0.00 | 425626.26 | 448057.93 | 1033365.23 | 106188.92 | 431672.13 | 5474916.63 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposal of group undertakings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers between group undertakings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other reclassifications | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Exchange differences on consolidations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Depreciation at the end of the period | 0.00 | 0.00 | 0.00 | 10027744.84 | 0.00 | 9951667.94 | 0.00 | 2690033.90 | 2596624.58 | 4012111.26 | 1304434.08 | 3187447.71 | 33770064.32 |
| Net Block at the beginning of the period | 0.00 | 0.00 | 1638858.50 | 22993305.99 | 0.00 | 9221612.11 | 0.00 | 2102771.23 | 1694646.22 | 4734454.97 | 63837.00 | 468326.08 | 42917812.10 |
| Net Block at the end of the period | 0.00 | 0.00 | 2249594.50 | 21929141.67 | 0.00 | 9688913.19 | 0.00 | 1903340.03 | 1958624.29 | 5164824.74 | 225105.75 | 855658.25 | 43975202.41 |



PREVEST DENPRO LIMITED
 EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
 CIN: U85199JK1999PLC001969
 (In INR)

STATEMENT OF NOTES TO THE BALANCE SHEET AS AT 31.03.2020

| Note: Fixed Assets (Income Tax Act, 1961) | WDV | Additions | | Sold | Total | Deprn | WDV | Rates of deprn |
|--|---------------------|--------------------|---------------------|------------------|--------------------|-------------------|---------------------|----------------------|
| | As at 01.04.2019 | Upto 30.09.2019 | After 30.09.2019 | | | | As at 31.03.2020 | |
| 1. Leasehold Land | 1638858.50 | 610736.00 | 0.00 | 0.00 | 2249594.50 | 0.00 | 2249594.50 | 0.00% |
| 2. Building (including officeGurgon) | 19855996.41 | 0.00 | 0.00 | 0.00 | 19855996.41 | 1985599.64 | 17870396.77 | 10.00% |
| 3. Owned Plant & Machinery | 9591298.70 | 643642.26 | 1789500.65 | 0.00 | 12024441.61 | 1669453.69 | 10354987.92 | 15.00% |
| 4. Furniture Fixtures | 2867906.34 | 194754.38 | 31440.68 | 0.00 | 3094101.40 | 307838.11 | 2786263.29 | 10.00% |
| 5. Office Equipments | 1920128.19 | 43346.00 | 668690.00 | 0.00 | 2632164.19 | 344672.88 | 2287491.31 | 15.00% |
| 6. Vehicles | 4598374.44 | 0.00 | 1970319.00 | 506584.00 | 6062109.44 | 761542.49 | 5300566.95 | 15.00% |
| 7. Computers | 161035.68 | 50805.10 | 216652.57 | 0.00 | 428493.35 | 128066.83 | 300426.52 | 40.00% |
| 8. Electric Installations | 1024153.41 | 0.00 | 819004.30 | 0.00 | 1843157.71 | 215048.33 | 1628109.38 | 15.00% |
| Total Tangible Assets | 41657751.67 | 1543283.74 | 5495607.20 | 506584.00 | 48190058.61 | 5412221.97 | 42777836.64 | |



PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
(In INR)

STATEMENT OF NOTES TO THE BALANCE SHEET AS AT 31.03.2020

| Particulars | 2019-2020 | 2018-2019 |
|--|--------------|-------------|
| Note-1: Share Capital | | |
| 1. Authorised Equity Share Capital | | |
| 1a. Shares of Rs.100 each | 3000000.00 | 3000000.00 |
| 2. Issued, Subscribed & Paid-Up Equity Share Capital | | |
| 2a. Equity Shares of Rs.100 each | 2850000.00 | 2850000.00 |
| Total | 2850000.00 | 2850000.00 |
| Note-2: Reserves and Surplus Account | | |
| [A]: Capital Reserve Account | | |
| 1. Opening Balance (Credit) | 4267021.00 | 4267021.00 |
| 2. Add 2a. Additions during the year | 0.00 | 0.00 |
| 3. Closing Balance (Credit) | 4267021.00 | 4267021.00 |
| [B]: Surplus Account | | |
| 1. Opening Balance (Credit) | 87861148.54 | 60895792.12 |
| 2. Add 2b. Net Surplus during the year | 51155555.22 | 29014582.86 |
| Total | 139016703.76 | 89910374.98 |
| Less: 3a. Other Disallowances | 0.00 | 55145.44 |
| 3b. Income Tax Provisions | 0.00 | 1994081.00 |
| 4. Closing Balance (Credit) | 139016703.76 | 87861148.54 |
| Total of Reserves and Surplus | 143283724.76 | 92128169.54 |
| Note-3: Long Term Borrowings | | |
| [A] Secured Loans | | |
| 1. Vehicle Loan: HDFC Bank-50250530 | 411864.24 | 660921.72 |
| 2. Vehicle Loan: HDFC Bank-99282844 | 968613.00 | 0.00 |
| Total | 1380477.24 | 660921.72 |
| [B] Unsecured Loans | | |
| 1. Unsecured Loans: Mr. Atul Modi | 9235425.51 | 8291898.51 |
| 2. Unsecured Loans: Mrs. Namrata Modi | 5831328.00 | 5236972.00 |
| Total | 15066753.51 | 13528870.51 |
| Total of Long Term Borrowings | 16447230.75 | 14189792.23 |
| Loans from bank is taken on hypothecation of Vehicles. | | |
| Note-4: Deferred Tax Liability | | |
| 1. Opening Deferred Tax Liability | 82671.87 | 0.00 |
| 2. Add: Addition/Subtraction during the year (as per Note No-20) | -10470.01 | 82671.87 |
| 4. Closing Deferred Tax Liability as at 31.03.2020 | 72201.86 | 82671.87 |
| Note-5: Trade Payables | | |
| 1. For Goods purchased (as per Note No-5(a)) | 13815880.30 | 10724464.23 |
| 2. For Services received | 3751980.47 | 2989946.47 |
| Total | 17567860.77 | 13714410.70 |
| Note-5(a): Trade Payable against Goods | | |
| 1. Creditors-International | 1862091.25 | |
| 2. Creditors-InterState | 7275869.68 | |
| 3. Creditors-Local | 1204602.76 | |
| 4. Creditors-Others | 3473316.61 | |
| Total | 13815880.30 | 10724464.23 |
| Note-6: Other Current Liabilities | | |
| 1. Tax Deducted at Source (TDS) | 461077.00 | 263906.00 |
| 2. Reverse Charge under GST Payable | 49037.86 | 32927.24 |
| 3. Security Deposits | 2056835.17 | 925035.17 |
| 4. Advance received from Buyers | 17433109.29 | 0.00 |



| | | |
|-------|-------------|------------|
| Total | 20000059.32 | 1221868.41 |
|-------|-------------|------------|

Note-7: Short Term Provisions

(Income Tax Provisions)

| | | |
|--------------------------------------|-------------|-------------|
| 1.Opening Balance | 7779134.00 | 4362678.00 |
| 2.Add Provision for the current year | 10247680.44 | 7779134.00 |
| 3.Subtotal | 18026814.44 | 12141812.00 |
| 4.Less Paid/Adjusted during the year | 7779134.00 | 4362678.00 |
| 5.Closing Balance | 10247680.44 | 7779134.00 |

Note-9: Capital Work in Progress

| | | |
|--|------------|------|
| 1.Factory Building at EPIP, Kartholi, BariBrahmana | 1092042.00 | 0.00 |
| Total | 1092042.00 | 0.00 |

Note-10: Inventories

| | | |
|---------------------|-------------|------------|
| 1.Raw Materials | 6387331.58 | 1821427.24 |
| 2.Packing Materials | 3100591.94 | 1928970.00 |
| 3.Work-in-Progress | 548202.00 | 244589.00 |
| 4.Finished Goods | 1267449.00 | 995905.00 |
| Total | 11303574.52 | 4990891.24 |

Note-11: Trade Receivables

| | | |
|-------------------------|-------------|------------|
| 1.Debtors-International | 158492.93 | |
| 2.Debtors-InterState | 20986401.16 | |
| 3.Debtors-Others | 425023.51 | |
| Total | 21569917.60 | 9263694.97 |

Note-12: Cash and Cash Equivalents

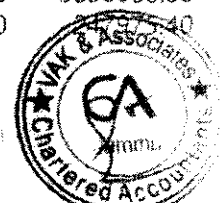
| | | |
|--|--------------|-------------|
| 1.Cash in Hand | 206375.46 | 128235.73 |
| 2.Forex Card (5129630000249424) | 0.00 | 0.00 |
| 3.HDFC Bank Ltd.-50200002585992 | 5450536.44 | 4260556.67 |
| 4.HDFC Bank Ltd-50200027779841 | 8339811.90 | 12729424.40 |
| 5.HDFC Bank Ltd-50200042286041 | 49251.42 | 0.00 |
| 6.HDFC Bank EEFC-50200028998991 | 1732146.76 | 1177352.53 |
| 7.Punjab National Bank-1460002100017150 | 24974567.58 | 1873400.58 |
| 8.Punjab National Bank-1460008700005292 | 53270.17 | 365357.49 |
| 9.State Bank of India-37782150677 | 7101601.07 | 12250.07 |
| 10.Jammu & Kashmir Bank-083901010000050 | 117360.06 | 113338.06 |
| 11.Punjab National Bank: AutoSweep Account | 1250000.00 | 23200000.00 |
| 12.State Bank of India: AutoSweep Account | 12792295.00 | 4382295.00 |
| 13.HDFC Bank: FixedDeposit-50300246695433 | 3925989.40 | 3500000.00 |
| 14.HDFC Bank: FixedDeposit-50300259679641 | 1660857.20 | 1500000.00 |
| 15.HDFC Bank: FixedDeposit-50300307998189 | 7223447.00 | 6800000.00 |
| 16.HDFC Bank: FixedDeposit-50300325654327 | 10559085.00 | 0.00 |
| 17.HDFC Bank: FixedDeposit-50300359073290 | 518028.00 | 0.00 |
| 18.HDFC Bank: FixedDeposit-50300359074320 | 5180275.00 | 0.00 |
| 19.HDFC Bank: FixedDeposit-50300382830839 | 5080547.00 | 0.00 |
| 20.HDFC Bank: FixedDeposit-50300382831641 | 5080547.00 | 0.00 |
| 21.Forex Card: 4726430005526391 | 301728.10 | 61427.10 |
| 22.Forex Card: 7756410001216552 | 13901.00 | 69356.23 |
| 23.Interest Accrued | 1115605.00 | 446562.20 |
| Total | 102727225.56 | 60619556.06 |

Note-13: Short Term Trade Advances

| | | |
|--|------------|------|
| 1.Advances paid to International Suppliers | 6728065.65 | 0.00 |
| 2.Advances paid to InterState Suppliers | 628534.61 | |
| 3. Trade Advances paid to Others | 1873285.31 | |
| Total | 9229885.57 | 0.00 |

Note-14: Other Current Assets

| | | |
|--|------------|------------|
| 1.Advance Income Tax paid | 9850000.00 | 5850000.00 |
| 2.Income Tax Deducted at Source (IT-TDS) | 418998.00 | |



| | | |
|--|--------------------|--------------------|
| 3.GST Paid (e-Cash Ledger) | 64428.81 | 45674.35 |
| 4.GST Input | 5622944.61 | 6871629.00 |
| 5.GST Refund Receivable | 1874023.61 | 0.00 |
| 6.Input on TRAN-1 | 0.00 | 0.00 |
| 7.GST Input Unit-I | 174080.21 | 174080.21 |
| 8.PLA Cenvat | 0.00 | 1312.42 |
| 9.BED PLA | 0.00 | 4601.00 |
| 10.Security Deposits with Government & Other Departments | 173435.00 | 158435.00 |
| 11.Staff Advances | 93000.00 | 20385.00 |
| 12.Mutual Fund Investments | 2300000.00 | 800000.00 |
| Total | <u>20570910.24</u> | <u>14174092.38</u> |



PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
(In INR)

STATEMENT OF NOTES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2020

| S.No Particulars | 2019-2020 | 2018-2019 |
|--|---------------------|---------------------|
| Note-15: Revenue from Operations | | |
| 1.Sale | 227693317.68 | 199350401.98 |
| Less:2.Discount on Sale | 0.00 | 6576812.64 |
| Total | 227693317.68 | 192773589.34 |
| Note-16: Other Incomes | | |
| 1.Interest on Bank Deposits | 4090910.40 | 2479733.00 |
| 2.Foreign Exchange Variation | 550726.42 | 800794.20 |
| 3.Duty Draw Back Refund | 2174381.00 | 1306508.00 |
| 4.Freight Receipts | 10634342.90 | 0.00 |
| 5.Refund of IGST received (See Note-14(a) below) | 0.00 | 156314.29 |
| 6.Income from Other Sources | 39350.00 | 219826.14 |
| Total | 17489710.72 | 4963175.63 |
| Note-16(a): Refund of IGST Received | | |
| 1.IGST Refund received | 0.00 | 4440352.00 |
| 2.Less: Income already included in Sales | 0.00 | 4284037.71 |
| 3.Excess Refund of IGST received | 0.00 | 156314.29 |
| IGST Refund received was against export sales and shipping bill was raised to the party exclusive of IGST amount, whereas in the books of accounts, the party was debited with value of shipping bill along with IGST thereon. Since the party has paid the value of shipping bill only and the balance standing (amount of IGST) in the ledger account of the party is adjusted with the IGST refund received. Refund of IGST is shown as income as the same is included in Sale value in the books of account. | | |
| Note-17: Cost of Raw Material Consumed | | |
| 1.Opening Stock | 3750397.24 | 3749782.93 |
| Add: 2.Purchases- Raw Materials & Packing Materials | 75217837.41 | 64332122.21 |
| Add: 3.Consumables | 975193.10 | 723820.77 |
| 4.Sub-Total | 76193030.51 | 65055942.98 |
| Less: 5.Closing Stock | 9487923.52 | 3750397.24 |
| 6.Cost of Raw Material Consumed | 70455504.23 | 65055328.67 |
| Note-18: Change in Inventories | | |
| <u>Inventories at the beginning of the year</u> | | |
| Work in Progress | 244589.00 | 189521.00 |
| Finished Goods | 995905.00 | 928806.00 |
| SubTotal | 1240494.00 | 1118327.00 |
| <u>Inventories at the end of the year:</u> | | |
| Work in Progress | 548202.00 | 244589.00 |
| Finished Goods | 1267449.00 | 995905.00 |
| SubTotal | 1815651.00 | 1240494.00 |
| Net Changes | -575157.00 | -122167.00 |
| Note-19: Employee Benefits Expense | | |
| 1.Administrative Charges | 69746.00 | 86863.00 |
| 2.Bonus Expenses | 579255.00 | 558889.00 |
| 3.Employees Insurance Expenses | 6374673.26 | 5367245.00 |
| 4.Director's Sitting fees | 1200000.00 | 1000000.00 |
| 5.Employer Provident Fund | 688514.00 | 868621.00 |
| 6.Employee State Insurance | 275333.00 | 351128.00 |
| 7.Employees Pension Scheme (EPS) | 239844.00 | 0.00 |
| 8.Incentive to Staff | 2201169.00 | 2966528.00 |
| 9.Incentive to Workers | 1620588.00 | 1271105.00 |



| | | |
|------------------------------|--------------------|--------------------|
| 10.Incentive to Directors | 0.00 | 0.00 |
| 11.Gratuity Expense | 172211.00 | 322355.00 |
| 12.Labour Contractual | 2607182.00 | 2498206.00 |
| 13.Leave Salary | 199086.00 | 164212.00 |
| 14.Linked Insurance | 59240.00 | 72384.00 |
| 15.Medical Expenses | 0.00 | 100509.00 |
| 16.Loyalty Bonus | 375500.00 | 0.00 |
| 17.Retrenchment Compensation | 0.00 | 244038.00 |
| 18.Salary- Staff | 8919853.00 | 7585351.00 |
| 19.Salary- Directors | 14400000.00 | 6278571.00 |
| 20.Staff & Labour Welfare | 646619.94 | 813528.19 |
| 21.Wages | 5599117.00 | 4660433.00 |
| Total | 46227931.20 | 35652571.19 |

Note-20: Finance Cost

| | | |
|---|-------------------|-------------------|
| 1.Interest on Duty Drawback | 0.00 | 1802.00 |
| 2.Interest on Unsecured Loans | 1709184.00 | 1427314.00 |
| 3.Interest on HDFC Bank Vehicle Loan | 42794.52 | 61433.46 |
| 4.Interest paid on late deposit of TDS | 7700.00 | 6267.00 |
| 5.Interest on late deposit of Provident Fund Dues | 159.00 | 0.00 |
| Total | 1759837.52 | 1496816.46 |

Note-21: Depreciation

| | | |
|------------------------------|-------------------|-------------------|
| 1.Depreciation as per Note-7 | 5474916.63 | 4706193.94 |
| Total | 5474916.63 | 4706193.94 |

Note-22: Other Expenses

22[A].Duties, Taxes, Government Fees, etc

| | | |
|---------------------|-------------------|-------------------|
| 1.Customs Duty | 4194110.13 | 3803908.90 |
| 2.Government Fees | 59110.00 | 0.00 |
| 3.GST Late Fee paid | 16610.00 | 0.00 |
| 4.PLA Cenvat | 1312.42 | 0.00 |
| 5.BED PLA | 4601.00 | 0.00 |
| Total | 4275743.55 | 3803908.90 |

22[B].Freight Expenses

| | | |
|--------------------------------|--------------------|-------------------|
| 1.Freight Inwards | 4091374.02 | 5668626.66 |
| 2.Freight Outwards | 8356813.36 | 570449.05 |
| 3.Carriage Inward & Outwards | 106666.00 | 49934.45 |
| 4.Express & Forwarding Charges | 5609589.96 | 0.00 |
| Total | 18164443.34 | 6289010.16 |

22[C].Power & Fuel

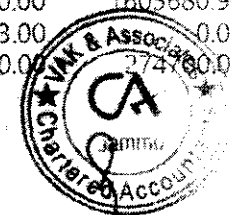
| | | |
|------------------------|-------------------|-------------------|
| 1.Electricity Expenses | 1159378.00 | 0.00 |
| 2.Fuel Expenses | 2181621.40 | 4941023.00 |
| Total | 3340999.40 | 4941023.00 |

22[D].Repair and Maintenance

| | | |
|-----------------------------------|-------------------|-------------------|
| 1.Building Repair & Maintenance | 720278.48 | 2897909.59 |
| 2.Computer Repair and Maintenance | 364409.10 | 176794.50 |
| 3.Electrical Repair & Maintenance | 331899.66 | 481865.13 |
| 4.Machinery Repair & Maintenance | 1122663.40 | 1063786.14 |
| 5.Vehicles Repair & Maintenance | 49988.00 | 85258.28 |
| 6.Other Repair & Maintenance | 487851.52 | 560832.82 |
| Total | 3077090.16 | 5266446.46 |

22[E].Miscellaneous Expenses

| | | |
|-----------------------|------------|------------|
| 1.Advertisement | 454647.00 | 796415.00 |
| 2.Audit Fees | 151800.00 | 138000.00 |
| 3.Bad Debts | 0.00 | 14782.75 |
| 4.Bank Charges | 878355.16 | 578514.88 |
| 5.Business Promotion | 1744273.20 | 2044918.18 |
| 6.Commission on Sales | 2111340.00 | 1605680.90 |
| 7.Discount Paid | 1794403.00 | 0.00 |
| 8.Donations | 0.00 | 274760.00 |



| | | |
|--|--------------------|--------------------|
| 9. Entertainment Expenses | 323981.73 | 320798.42 |
| 10. Exhibition Expenses | 4756762.31 | 5933094.82 |
| 11. Fees & Subscription | 1065646.60 | 618363.57 |
| 12. Festival Expenses | 132286.00 | 79243.00 |
| 13. Gardening Expenses | 119246.00 | 34795.00 |
| 14. Handling Charges | 171256.41 | 309211.38 |
| 15. Housekeeping Expenses | 241662.50 | 302543.58 |
| 16. Insurance | 666072.00 | 359379.30 |
| 17. Labortary Expenses | 640571.37 | 267753.92 |
| 18. Lease Rent (Land) | 20625.00 | 18750.00 |
| 19. Legal and Consultation Charges | 23228.00 | 122847.00 |
| 20. Loading and Unloading | 402060.00 | 74750.00 |
| 21. Local Conveyance | 327145.00 | 247299.00 |
| 22. Marketing Support | 2092876.00 | 2658665.00 |
| 23. Matador Charges | 534016.00 | 477341.02 |
| 24. Medical & Sanitation | 85226.00 | 28000.00 |
| 25. Membership and Subscription | 87620.00 | 0.00 |
| 26. Miscellenous Expenses | 152913.90 | 98856.58 |
| 27. Plantation Expenses | 0.00 | 44715.00 |
| 28. Packing Charges | 1163185.00 | 1300838.00 |
| 29. Postage and Courier Expenses | 311146.60 | 199611.70 |
| 30. Printing and Stationery | 371081.87 | 316073.42 |
| 31. Product Development Charges | 339715.95 | 510600.12 |
| 32 Professional & Consultation Charges | 3377024.00 | 2055841.00 |
| 33. Rent Expenses | 480000.00 | 480000.00 |
| 34. Research & Development | 76054.52 | 1181795.60 |
| 35. Sample Expenses | 244634.00 | 0.00 |
| 36. Security Expenses | 270048.00 | 0.00 |
| 37. Software Expenses | 74276.00 | 107142.44 |
| 38. Social Welfare Expenses | 58352.00 | 0.00 |
| 39. Telephone and Internet Expenses | 363711.18 | 355841.38 |
| 40. Toll Expenses | 3745.00 | 8800.00 |
| 41. Tour & Travelling Expenses | 4904604.16 | 9053815.19 |
| 42. Uniform Expenses | 149539.67 | 155521.84 |
| 43. Watch and Ward | 407541.58 | 560790.03 |
| 44. Water Charges | 19140.00 | 32100.00 |
| 45. Written Off | -2858.99 | 3055.44 |
| Total | <u>31588953.72</u> | <u>33771244.46</u> |
| Total of Other Expenses | 60447230.17 | 54071632.98 |



PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133

Calculation as per Accounting Standard-22 for the financial year 2019-2020

(1).Calculation of Current Tax

| | |
|--|-------------|
| Profit before Tax | 61392765.65 |
| Add: Depreciation as per Books | 5474916.63 |
| Less: Depreciation as per Income Tax Act | 5412221.97 |
| Gross Total Income | 61455460.31 |
| Less: Deduction u/s 80-IB @30% | 17209364.97 |
| Profit as per Profit & Loss | 61455460.31 |
| Less: Nor -Industrial Undertaking Income | 4090910.40 |
| | 57364549.91 |
| Taxable Income | 44246095.34 |
| Tax Liability | 11061523.83 |
| Surcharge | 774306.67 |
| Cess | 473433.22 |
| Total Tax Liability (a) | 12309263.72 |
| MAT: Profit | 61392765.65 |
| Tax @15% on Book Profit u/s 115JB | 9208914.85 |
| Surcharge | 644624.04 |
| Cess | 394141.56 |
| Tax Payable u/s 115JB (b) | 10247680.44 |
| Higher of the two is considered | 12309263.72 |
| Less: Tax Credit u/s 115JAA | 2061583.28 |
| Tax payable after adjusting Tax Credit | 10247680.44 |

(2).Calculation of Deffered Tax

| | |
|---|------------|
| (a) When Taxable Income is lower than Accounting Income, then Deferred Tax Liability arises | |
| (b) When Taxable Income is higher than Accounting Income, then Deferred Tax Asset arises | |
| Depreciation as per Companies Act, 2013 | 5474916.63 |
| Depreciation as per Income Tax Act, 1961 | 5412221.97 |
| (c) Timing Differences as per Accounting Standards | -62694.66 |
| (d) Deferred Tax Liability for the financial year 2019-2020 | -10470.01 |



PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969

Note-23: Notes to Financial statements for the year ended March 31, 2020

1. Reporting Entity

Prevest Denpro Limited with registered office at 38-Industrial Estate, Digiana, Jammu is mainly owned and controlled by (i) Shri Atul Modi S/o Shri O P Modi resident of Trikuta Nagar, Jammu-180020 and Smt. Namrata Modi W/o Shri Atul Modi resident of Trikuta Nagar, Jammu-180020. The company is primarily involved in the manufacturing of Dental Preparations.

2. Basis of Preparation

(a) These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) rules, 2015 and Companies (Accounting Standards) amendments Rules 2016 and other applicable provisions of the Act.

(b) These financial statements are prepared in Indian rupees (INR), which is companies functional currency. All the financial information presented in INR has been rounded off to the nearest rupee for the company where ever required.

(c) The preparation and presentation management to make judgements, estimates and assumptions that may impact the application of accounting policies and reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and liabilities at the Balance Sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

3. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation and presentation of

(a) An item is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

(b) Fixed assets are stated at cost of acquisition, net of accumulated depreciation and impairment, if any. The cost comprises purchase price, taxes, duties, freight and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

(c) After initial recognition Fixed asset is carried at Cost less depreciation/amortisation, if any.

(d) Depreciation of Assets has been provided at a pro rata basis for all tangible assets on a Straight Line Method over the useful life of the assets as prescribed in Schedule-II, Part-C of the Companies Act, 2013. As required by Schedule-II to the companies Act, 2013, the management has adopted Component Based approach for accounting Fixed assets.

Revenue Recognition

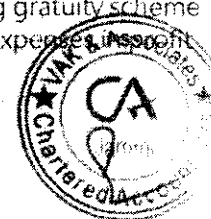
The revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably and the amount of revenue can be measured reliably.

Adjustments arising out of the final settlement, though not material, are effected in the year of respective finalisation.

Interest and other charges recoverable from customers are recognised when no significant uncertainty as to measurability and collectability exists.

Employee Benefits

Employee Benefits: Short term employee benefits are measured on an undiscounted basis and are expenses or included in the carrying cost of an asset (Work-in-Progress) if another standard permits such inclusion. Obligations for defined contribution plans (e.g. contributions to Provident fund scheme, etc) etc are recognised as an employee benefit expenses in profit or loss or included in the carrying amount of an asset (Work-in-Progress) if another standard permits such inclusion in the periods during which services are rendered by employees. Defined benefit plans (e.g gratuity scheme and leave benefits) is calculated annually and is recognised as an employee benefit expenses.



or loss or included in the carrying amount of an asset (Work-in-Progress) if another standard permits such inclusion in the periods during which services are rendered by employees. Since the company's existence is less than five years gratuity provisions not applicable.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of tangible assets that takes a substantial period of time to get ready for its intended use or sale are included as part of cost of Fixed Asset. All other borrowing costs are expenses in the period in which they incur. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing Cost also includes exchange differences to the extent regarded as an adjustment to the borrowing

Depreciation



Till recently, Schedule-XIV to the Companies Act, 1956 prescribed the requirements concerning depreciation of fixed assets and the depreciation rates prescribed under Schedule-XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if lower rates were justified by the estimated useful life of the asset. Schedule-II to the Companies Act, 2013 prescribes useful lives for the fixed assets which, in many cases, are different from the lives prescribed under the erstwhile Schedule-XIV. However, Schedule-II allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date and if there is any indication of impairment based on the internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Segment Reporting Policies

The company is engaged in the manufacturing of Dental Preparation only and hence there is one segment.

Income Taxes

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the laws enacted or subsequently enacted as on the date of Balance sheet. Deferred tax assets on unabsorbed tax losses and unabsorbed depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred assets are recognised only when there is a reasonable certainty of their realisation.

Provision

A provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best obligation.

Contingent Liabilities

Contingent liabilities are disclosed in respect of:

- (a) Possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- (b) Any present obligation, where it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or a reliable estimate of the amount of obligation cannot be made.

However, in situations where the likelihood of an outflow of resources is assessed to be remote, no disclosure is made as such items are not in the nature of contingent liabilities.

Contingent assets are not recognised nor disclosed in the financial statements.

Related Party Disclosures

(a). List of Related Parties

Related Parties with whom transactions have been taken place during the year

Key Managerial Personnel

| | |
|-------------------|--------------------|
| Shri Atul Modi | Managing Director |
| Smt. Namrata Modi | Executive Director |

Transactions with related parties

| Particulars | Shri Atul Modi | Smt. Namrata Modi |
|--------------------|----------------|-------------------|
| (1) Salary | 6000000.00 | 6000000.00 |
| (2) Interest | 944527.00 | 594356.00 |
| (3) Director's Fee | 585000.00 | 585000.00 |
| (4) Rent | 0.00 | 480000.00 |
| Total | 7529527.00 | 7659356.00 |

