



INDEPENDENT AUDITOR'S REPORT

To The Members of PREVEST DENPRO LIMITED

Report on the Audit of the Financial Statements:

Opinion

We have audited the accompanying financial statements of PREVEST DENPRO LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.



Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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 the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Mittal & Associates

Chartered Accountants

Firm Registration number: 106456W

Hemant

Hemant Bohra

Partner

Membership number: 165667

UDIN: 22165667AJCOGF322

Place: Mumbai
Date: 17th May, 2022



Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PREVEST DENPRO LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PREVEST DENPRO LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included



obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mittal & Associates

Chartered Accountants

Firm Registration number: 106456W

Hemant

Hemant Bohra

Partner

Membership number: 165667

UDIN: 22165667AJCOGF322

Place: Mumbai

Date : 17th May, 2022



Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **PREVEST DENPRO LIMITED** of even date)

- 1) In case of the Company's Property, Plant and Equipments and Intangible Assets:
 - (a) 1. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
2. The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 2)
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
 - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- 3) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3



- (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
 - 5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
 - 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
 - 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has generally been regular in depositing undisputed statutory dues including Income-Tax, Goods and Services Tax and any other material statutory dues applicable to it with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.
(c) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Services Tax, duty of customs outstanding on account of any dispute.
 - 8) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
 - 9) In our opinion and according to the information and explanations given to us, the Company has not taken loan from any bank or financial institution and also not declared willful defaulter from any bank or financial institution or government or any government authority; accordingly, the provisions of clause 3(ix) of the Order are not applicable.
 - 10) (a) the money raised by way of initial public offer have been applied, for the purpose for which they were obtained, other than Rs. 2209.59 lakh, out of the proceeds from initial public offer received during the year which remains unutilized as of 31st March, 2022. The details of the amount used during the year and unutilized fund are as follows:



Particulars	Total Estimated Cost	Total Amount Utilized Upto 31/03/2022	Balance lying with Bank
Purchase of machineries, equipments and utilities for manufacturing of proposed additional line of products, R&D unit and existing manufacturing operations	Rs 1801.80	Rs. 142.79	Rs.1659.01
Issue Expenses	Rs. 282.09	Rs.282.09	Nil
General Corporate Purposes	Rs. 577.23	Rs. 26.65	Rs. 550.58
Total	Rs. 2661.12	Rs. 451.53	Rs. 2209.59

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally)
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The company has not received any whistle blower complaints during the year (and upto the date of this report).
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and



extent of our audit procedures.

- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) The Company has during the year required to spend Rs 12,77,479 during the year for Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. The Company has spent 8,84,24 during the year, Rs 3,93,235 remains unspent, which is yet to be transferred to special account in accordance with provisions of section 135 of the Companies Act, 2013.



- 21) The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Mittal & Associates
Chartered Accountants
Firm Registration number: 106456W

Hemant

Hemant Bohra
Partner
Membership number: 165667
UDIN: 22165667AJCOGF322



Place: Mumbai
Date: 17th May, 2022

PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
BALANCE SHEET AS AT 31.03.2022

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I Equity & Liabilities			
1.Shareholders funds:			
a.Share Capital	2	1,200.30	28.50
b.Reserves and Surplus	3	4,510.15	2,221.10
2.Share Application Money pending Allotment:			
		-	-
3.Non-Current liabilities:			
a.Long-Term Borrowings	4	136.67	139.39
b.Deferred Tax Liabilities (net)	5	28.89	24.03
c.Other Long Term Liabilities		-	-
d.Long Term Provisions		-	-
4.Current Laibilities:			
a.Short Term Borrowings		-	-
b.Trade Payables	6	163.73	390.65
c.Other Current Liabilities	7	366.32	193.66
d.Short Term Provisions	8	9.88	70.33
Total		6,415.94	3,067.66
II Assets			
1.Non-Current Assets:			
a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant & Equipment	9	671.89	536.23
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		472.15	171.13
(iv) Intangible assets under development		-	-
b.Non-Current Investments		-	-
c.Deferred Tax Assets (net)		-	-
d.Long Term Loans & Advances		-	-
e.Other Non-Current Assets		-	-
2.Current Assets:			
a.Current Investments	10	72.90	43.80
b.Inventories	11	326.37	127.32
c.Trade Receivables	12	232.09	374.76
d.Cash and Cash Equivalents	13	4,233.64	1,642.17
e.Short Term Loans and Advances	14	250.32	69.05
f.Other Current Assets	15	156.56	103.21
Total		6,415.94	3,067.66

The accompanying notes are an integral part of the financial statement

Significant Accounting Policies

1

Notes to the Financial Statements

2 to 30

As per our report of even date

For Mittal & Associates

Chartered Accountant

FRN: 106456W

Hemant

Hemant Bohra

Partner

M.No. 165667

UDIN: 22165667AJCOGF322

Date: 17th May 2022

Place: Mumbai



For and on behalf of the Board of Directors

Atul Modi
(Atul Modi)
 Managing Director

DIN:00788272

Namrata Modi
(Namrata Modi)
 Whole Time Director &
 CFO

DIN:00788266

Komal Mehra
CS Komal Mehra
 PAN: BUJPM7818R

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

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2022

Particulars	Note No.	For The Year ended on 31.03.2022	For The Year ended on 31.03.2021
I.Revenue from Operations	16	3,762.34	2,847.60
II.Other Incomes	17	211.15	103.74
III.Total Revenue (a)		3,973.50	2,951.35
IV.Expenses			
1.Cost of Raw Materials Consumed	18	986.75	798.45
2.Purchase of Stock in Trade		-	-
3.Change in Inventories (WIP&FGs)	19	(8.84)	(9.07)
4.Employee Benefits Expenses	20	652.45	478.11
5.Finance Costs	21	10.42	18.71
6.Depreciation and amortization expenses	22	52.40	47.19
7.Other Expenses	23	675.16	684.43
V.Total Expenses (b)		2,368.33	2,017.82
V.Profit before Exceptional Items & Tax	(III-IV)	1,605.16	933.52
VI.Exceptional Items		-	-
IX.Profit before tax		1,605.16	933.52
X.Tax Expense			
a.CurrentTax		441.31	189.55
a.CurrentTax		2.12	-
b.DeferredTax		4.86	23.31
XI.Profit for the period from Continuing Operations		1,156.88	720.67
XII.Profit from Discontinuing Operations		-	-
XIII.Tax Expense of Discontinuing Operations		-	-
XIV.Profit from Discontinuing Operations after Tax		-	-
XV.Profit for the period		1,156.88	720.67
XVI.Earning per share (equated)	24	9.64	8.16

See accompanying notes to the financial statements, as under

For Mittal & Associates
Chartered Accountant
FRN: 106456W

Hemant

Hemant Bohra
Partner
M.No. 165667
UDIN: 22165667AJCOGF322



For and on behalf of the Board of Directors

Atul Modi
(Atul Modi)
Managing Director

DIN:00788272

Namrata Modi
(Namrata Modi)
Whole Time Director &
CFO

DIN:00788266

Komal Mehra
CS Komal Mehra
PAN: BUJPM7918R



PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CASH FLOW-STATEMENT FOR THE YEAR ENDED 31.03.2022

Particulars	For the year ended March 31,2022	For the year ended March 31,2021
Cash Flow From Operating Activities:		
Net Profit before tax as per Profit And Loss A/c	1,605.16	933.52
Adjustments for:		
Depreciation & Amortisation Expense	52.40	47.19
MAT credit Earliyer Year	17.85	-
Interest Income	(131.62)	(51.29)
Finance Cost	10.42	18.71
CSR expenses	(8.84)	-
Operating Profit Before Working Capital Changes	1,545.38	948.13
Adjusted for (Increase)/ Decrease in:		
Short term provision	(60.45)	70.33
Trade Receivables	142.67	(159.06)
Inventories	(199.05)	(14.28)
Other current assets	(234.63)	11.43
Trade Payables	(226.92)	214.97
Other Current Liabilities	172.67	(6.34)
Cash Generated From Operations	(405.72)	117.05
Appropriation of Profit		
Net Income Tax paid/ refunded	443.42	189.55
Net Cash Flow from/(used in) Operating Activities: (A)	696.23	189.55
Cash Flow From Investing Activities:		
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	(489.09)	(223.18)
Interest Income	131.62	51.29
Net Increase/(Decrease) in Current Investment	(29.10)	(20.80)
Net Cash Flow from/(used in) Investing Activities: (B)	(386.57)	(192.69)
Cash Flow from Financing Activities:		
Net Increase/(Decrease) in Long Term Borrowings	(2.72)	(25.08)
Proceed from Issue of share	2,661.12	-
IPO Issue expenses	(366.16)	
Gratuity provisions of earlier years	-	(13.10)
Interest on borrowings	(10.42)	(18.71)
Net Cash Flow from/(used in) Financing Activities (C)	2,281.82	(56.89)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	2,591.47	626.05
Cash & Cash Equivalents As At Beginning of the Year	1,642.17	1,016.12
Cash & Cash Equivalents As At End of the Year	4,233.64	1,642.17

The accompanying notes are an integral part of the financial statement

As per our report of even date

For Mittal & Associates

Chartered Accountant

FRN: 106456W

Hemant

Hemant Bohra

Partner

M.No. 165667

UDIN: 22165667AJCOGF322



For and on behalf of the Board of Directors

(Atul Modi)

Managing Director

DIN:00788272

(Namrata Modi)

Whole Time Director &
CFO

DIN:00788266

Komal Mehra
CS Komal Mehra
PAN: BU1PM7818R

Particulars	As at March 31, 2022	As at March 31, 2021
Note-3 : Reserves and Surplus		
[A]: Capital Reserve Account		
Opening Balance	42.67	42.67
Additions during the year	-	-
Closing Balance	42.67	42.67
[B]: Security premium		
Balance as per last Financial statements	-	-
Add : Amount Received during the year	2,344.32	-
Less : Amount Utilised IPO Expenditure	(366.16)	-
Closing Balance	1,978.16	-
[C]: Surplus Account		
Opening Balance	2,178.42	1,390.17
Add: Reversal of Depreciation charged extra in earlier years	-	80.69
Less Gratuity Expenses of earlier years	-	(13.10)
CSR Expenses	(8.84)	-
MAT Credit (Earliyer Year)	17.85	-
Less Use for Bonus Issue	(855.00)	-
Add: Net Surplus during the year	1,156.88	720.67
Closing Balance	2,489.32	2,178.42
Total of Reserves and Surplus (A+B+C)	4,510.15	2,221.10
Note-4 : Long Term Borrowings		
Unsecured Loans		
Loans from Directors	136.67	139.39
Total of Long Term Borrowings	136.67	139.39
Note-5 : Deferred Tax Liability		
As at March 31, 2022		
Opening Deferred Tax Liability	24.03	0.72
Addition/Subtraction during the year	4.86	23.31
Closing Deferred Tax Liability	28.89	24.03
Note-6 : Trade Payables		
a. total outstanding dues of micro enterprises and small enterprises; and		
	19.25	35.77
b. total outstanding dues of creditors other than micro enterprises and small enterprises.		
	144.48	354.88
Total	163.73	390.65



Particulars (Outstanding from due date of payment / from date of transaction)	As at March 31, 2022	As at March 31, 2021
i) MSME		
Less than 1 year	19.25	35.77
1-2 Years	-	-
2-3 Years	-	-
More then 3 Years	-	-
	<u>19.25</u>	<u>35.77</u>
ii) Others		
Less than 1 year	141.13	348.59
1-2 Years	3.35	6.29
2-3 Years	-	-
More then 3 Years	-	-
	<u>144.48</u>	<u>354.88</u>
iii) Disputed dues- MSME		
Less than 1 year	-	-
1-2 Years	-	-
2-3 Years	-	-
More then 3 Years	-	-
	<u>-</u>	<u>-</u>
iv) Disputed dues- Others		
Less than 1 year	-	-
1-2 Years	-	-
2-3 Years	-	-
More then 3 Years	-	-
	<u>-</u>	<u>-</u>
Total	<u>163.73</u>	<u>390.65</u>

Note-7 : Other Current Liabilities

Advances received from Customers

Other Payable

Statutory Liabilities

Payable for Expenses

Payable for Capital Goods

Security Deposits

Total

	As at March 31, 2022	As at March 31, 2021
Advances received from Customers	84.08	156.99
Statutory Liabilities	15.39	12.06
Payable for Expenses	202.63	-
Payable for Capital Goods	38.87	-
Security Deposits	25.35	24.61
Total	<u>366.32</u>	<u>193.66</u>

Note-8 : Short Term Provisions

Provision for Income (net off advance tax and TDS) (A.Y. 2021-22)

Provision for Income (net off advance tax and TDS) (A.Y. 2022-23)

Closing Balance

	As at March 31, 2022	As at March 31, 2021
Provision for Income (net off advance tax and TDS) (A.Y. 2021-22)	-	70.33
Provision for Income (net off advance tax and TDS) (A.Y. 2022-23)	9.88	-
Closing Balance	<u>9.88</u>	<u>70.33</u>



Note-10 : current Investment**Quoted**

Investments in Mutual Funds

	As at March 31, 2022	As at March 31, 2021
Franklin India Smaller Companies Fund	3.80	5.80
HDFC Credit Risk Debit Fund	1.30	0.20
HDFC Large and Midcap Fund	1.50	-
HDFC Low Duration Fund	5.25	0.60
ICICI Prudential Interest Fund	1.50	0.40
ICICI Prudential Saving Fund	2.25	0.60
Kotak Equity Oppertunities Fund	1.50	-
Kotak Low Duration Fund	1.50	0.40
Kotak Standard Multicap Fund	21.45	14.05
L & T Midcap Fund	4.60	4.60
Mirae Asset India Equity Fund	25.75	17.15
UTI Flexicap Fund	2.00	-
SBI Focused Equity Fund	0.50	-
Total	72.90	43.80

Aggregate amount of quoted investments

Aggregate market value of quoted investments

96.26 57.11

Note-11 : Inventories

	As at March 31, 2022	As at March 31, 2021
Raw Materials	194.80	70.01
Work-in-Progress	2.99	2.30
Finished Goods	33.07	24.93
Packing Material	95.50	30.09
Total	326.37	127.32

Note-12 : Trade Receivables**Unsecured, Considered Good**

Aggregate amount of Trade Receivables outstanding for a period exceeding six months

	As at March 31, 2022	As at March 31, 2021
Others	232.09	364.42
Total	232.09	374.76

Trade Receivables ageing schedule

i) Undisputed Trade receivables – considered good

	As at March 31, 2022	As at March 31, 2021
Less than 6 months	228.00	370.81
6 months - 1 year	4.09	3.95
1-2 years		
2-3 years		
More then 3 years		
	232.09	374.76



ii) Undisputed Trade receivables – considered doubtful		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More then 3 years	-	-
	<hr/>	<hr/>
iii) Disputed Trade receivables – considered good		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More then 3 years	-	-
	<hr/>	<hr/>
iv) Disputed Trade receivables – considered doubtful		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More then 3 years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	232	375

Note-13: Cash and Cash Equivalents

Balance with Banks

	As at March 31, 2022	As at March 31, 2021
a. in current accounts	272.85	146.90
b. in deposit accounts	3,959.58	1,494.71
Cash on hand	1.21	0.56
Total	4,233.64	1,642.17

Note-14: Short Term Trade Advances

	As at March 31, 2022	As at March 31, 2021
.Advances to Suppliers	249.51	69.05
Advances to employee	0.81	
Total	250.32	69.05

Note-15: Other Current Assets

	As at March 31, 2022	As at March 31, 2021
2. Balance with Government Authorities	148.35	65.92
3. Security Deposits with Government & Other Departments	-	5.12
4. Interest accrued on deposits	-	24.21
5. Gratuity fund with LIC	5.93	5.93
6. Prepaid Insurance	2.28	-
7. Other Advances	0.00	2.02
Total	156.56	103.21



9 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As At 31-03-2021	Addition	Deduction during the year	As At 31-03-2022	Upto 31-03-2021	For the Year	Upto 31-03-2022	As At 31-03-2022	As At 31-03-2021
Tangible Assets									
Freehold Land 1									
Leased Freehold									
Leasehold Land	51.05	-	-	51.05	-	-	-	51.05	51.05
Buildings	328.28	0.74	-	329.03	87.05	10.31	97.36	231.67	241.24
Leased Buildings									
Owned plant and machinery	241.27	68.94	-	310.21	92.47	16.08	108.55	201.66	148.80
Loose Tools									
Furniture Fixtures	52.12	2.37	-	54.49	32.28	4.44	36.71	17.78	19.85
Office Equipments	58.99	4.16	-	63.15	45.62	3.28	48.90	14.25	13.37
Vehicles	98.27	97.86	-	196.13	54.17	12.34	66.51	129.62	44.10
Computers	24.65	7.41	-	32.06	18.42	3.50	21.91	10.14	6.23
Electric Installations	41.26	6.59	-	47.85	29.66	2.45	32.11	15.73	11.59
TOTAL (i)	895.90	188.07	-	1,083.96	359.67	52.40	412.07	671.89	536.23
Capital Work in Progress	171.13	301.03	-	472.15	-	-	-	472.15	171.13
Sub Total (B)	171.13	301.03	-	472.15	-	-	-	472.15	171.13
Total Assets	1,067.02	489.09	-	1,556.12	359.67	52.40	412.07	1,144.04	707.35

There are no immovable property. There are no immovable properties the title deeds of which are not held in the name of the company.

Capital work-in-progress aging schedule

Capital work-in-progress Project in Progress	Amount in capital work-in-progress for a period of			Total
	Less than 1 year	1-2 Year	2-3 Year more then 3 year	
Balance as at 31 March 2022	301.03	160.21	10.92	472.15
Balance as at 31 March 2021	160.21	10.92	-	171.13



There are no projects which are suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

PREVEST DENPRO LIMITED
EPIP, KARTHOLI, BARI BRAHMANA, SAMBA-181133
CIN: U85199JK1999PLC001969
Notes to the Financial Statements for the year ended 31.03.2022

Particulars	For The Year ended on 31.03.2022	For The Year ended on 31.03.2021
<u>Note-16: Revenue from Operations</u>		
1. Sale of Products	3,888.10	2,797.68
Less:..Discount on Sale	125.75	53.74
2. Other Operating Revenue	-	-
Freight Charges on Sales	-	103.67
Total	3,762.34	2,847.60
<u>Note-17: Other Incomes</u>		
1. Interest on Bank Deposits	131.62	51.29
2. Foreign Exchange Variation	29.80	19.30
3. Duty Draw Back Refund	25.07	17.71
4. MEIS Scrip Licence	23.72	-
5. Gain on sale of mutual fund	0.91	-
6. Remission of Creditors	-	12.81
7. Miscellaneous Income	0.04	0.08
8. Profit on sale of Fixed Assets	-	0.09
9. Benefit Under PMGKY (EPFO)	-	1.33
10. Bad Debts Received	-	1.14
Total	211.15	103.74
<u>Note-18: Cost of Raw Material Consumed</u>		
1. Opening Stock	100.10	94.88
Add: 2. Purchases- Raw Materials & Packing Materials	1,166.03	794.00
Add: 3. Consumables	10.93	9.67
4. Sub-Total	1,176.96	803.67
Less: 5. Closing Stock	290.31	100.10
6. Cost of Raw Material Consumed	986.75	798.45
<u>Note-19: Change in Inventories</u>		
<u>Inventories at the beginning of the year</u>		
Work in Progress	2.30	5.48
Finished Goods	24.93	12.67
SubTotal	27.22	18.16
<u>Inventories at the end of the year:</u>		
Work in Progress	2.99	2.30
Finished Goods	33.07	24.93
SubTotal	36.06	27.22
Net Changes	(8.84)	(9.07)
<u>Note-20: Employee Benefits Expenses</u>		
Salaries and Wages	385.39	313.52
Director Remuneration	245.20	140.13
Company's Contribution to Provident and other fund	20.10	15.13
Staff welfare Expenses	1.76	9.33
Total	652.45	478.11
<u>Note-21: Finance Cost</u>		
1. Interest on Unsecured Loans	9.98	17.62
2. Interest on Vehicle Loan	-	1.06
3. Interest paid on late deposit of TDS & GST	0.44	0.03
Total	10.42	18.71



Note-22: Depreciation & Amortization

1. Depreciation as per Note-10

Total

52.40

47.19

52.40

47.19

Note-23: Other Expenses

Power and Fuel

29.94

28.19

Freight, Packing & Forwarding

147.66

254.95

Repair & Maintenance

47.83

74.70

Advertisement

9.82

11.38

Rates & Taxes

84.94

49.68

Insurance

11.08

9.48

Traveling Expenses

36.78

10.81

Business Promotion Expenses

86.62

51.08

Legal & Professional Expenses

85.12

42.15

Bank Charges

16.63

6.73

Housekeeping and Security Charges

13.81

9.91

Commission Charges

9.10

16.21

Fees & Subscription

41.95

24.74

Auditor remuneration*

3.00

1.90

Rent

4.95

5.03

Laboratory Expenses

4.35

18.43

Printing & Stationery

6.52

11.33

Software Expenses

3.38

8.12

Telephone & Internet Expenses

4.24

3.85

Discount

-

6.61

Miscellaneous Expenses

27.43

39.16

Total of Other Expenses

675.16

684.43

Auditor Remuneration*

As Statutory Audit Fees

3.00

1.90

Note-24: Earning Per Share

Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders

1156.88

720.67

Weighted Average number of equity shares used as denominator for calculating EPS*

120.03

88.35

Basic & Dilluted Earning per share

9.64

8.16

* As on 27-04-2021, the Company had issued bonus shares in the ratio 30:1 and hence the same has been considered in the weighted average number of shares



Note-25

Related Party Disclosures

(a). List of Related Parties

Detail of 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*
Shri Sai Kalyan Surapaneni *Executive Director*

Associate Enterprises

NV International *Partnership firm of Mr. Atul Modi and Mrs. Niharika Modi*
Dentstal India *Partnership firm of Mr. Atul Modi and Mrs. Namrata Modi*

(b). Transactions with related parties

Particulars	Shri Atul Modi	Smt. Namrata Modi	Shri Sai Kalyan Surapaneni	NV International
(1)Salary	110.00	110.00	25.20	-
(2)Interest	6.03	3.95	-	-
(3)Rent	-	4.80	-	-
(4) Sale	-	-	-	9.57
Total	116.03	118.75	25.20	9.57

(c) Balances outstanding at the end of the year:-

Sr. No.	Particulars	31.03.2022
1	Loan o/s from shri Atul Modi	83.27
2	Loan o/s from smt Namrata Modi	53.39
	Total	136.67



Note-27 EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

<i>Details of Gratuity Expenses</i>	2021-22	2020-21
<u>Profit and loss account for the period</u>		
Current service cost	3.09	2.17
Interest on obligation	1.05	1.10
Expected return on plan assets	-	-
Net actuarial loss/(gain)	-1.72	-1.83
Recognised Past Service Cost-Vested	-	-
Loss (gain) on curtailments	-	-
Total included in 'Employee Benefit Expense'	1.04	1.39
prior year charge	-	-
Total Charge to P&L	1.04	1.39
<u>Reconciliation of defined benefit obligation</u>		
Opening Defined Benefit Obligation	14.53	15.71
Transfer in/(out) obligation		
Current service cost	3.09	2.17
Interest cost	1.05	1.10
Actuarial loss (gain)	-1.72	-1.83
Past service cost	-	-
Benefits paid	-	-2.61
prior year charge	-	-
Closing Defined Benefit Obligation	16.95	14.53
<u>Table of experience adjustments</u>		
Defined Benefit Obligation	16.95	14.53
Plan Assets	24.08	20.35
Net liability/(assets) recognise in balance sheet	-7.13	-5.81
<u>Reconciliation of plan assets</u>		
Opening value of plan assets	20.35	-
Transfer in/(out) plan assets	2.36	20.31
Expenses deducted from the fund	-	-
Expected return	1.48	-
Actuarial gain/(loss)	-0.10	0.04
Contributions by employer	-	-
Benefits paid	-	-
Closing value of plan assets	24.08	20.35



<i>Details of Gratuity Expenses</i>	2021-22	2020-21
<u>Reconciliation of net defined benefit liability</u>		
Net opening provision in books of accounts	16.95	14.53
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expense	-	1.39
Benefits paid by the Company	-	-2.61
Contributions to plan assets	24.08	20.31
Closing provision in books of accounts	-	-

Bifurcation of liability

Current Liability	-	-
Non-Current Liability	-	-
Net Liability	-	-

Principle actuarial assumptions

Discount Rate	7.25%	7%
Expected Return on Plan Assets	7.25%	7%
Salary Escalation Rate	5%	5%
Withdrawal Rates	5.00% p.a	5.00% p.a
Discount Rate	7.25%	7%
Expected Return on Plan Assets	7.25%	7%
Salary Escalation Rate	5%	5%
Withdrawal Rates	5.00% p.a	5.00% p.a



31st March, 2022

31st March, 2021

Note:**(1) Ratio Analysis****A. Current Ratio**

Current Assets	5,272	2,358
Current Liabilities	540	655
Current ratio	976%	360%
Increase / (Decrease) in ratio	171%	
Reason for Increase / (Decrease)	The company has seen sharp increase in Current assets as there is a sharp increase in fixed deposits with the bank by the company as company is come with the Initial public offer and all the unused proceed from IPO is with Fixed Deposit.	

B. Debt Equity Ratio

Long term borrowings	137	139
Short term borrowings	-	-
Total Debt	137	139
Share Capital	1,200	29
Reserves & Surplus	4,510	2,221
Money received against Share Warrants	-	-
Shareholder's Equity	5,710	2,250
Debt Equity Ratio	2.39%	6.20%
Increase / (Decrease) in ratio	(61.37)	
Reason for Increase / (Decrease)	Company's equity has been increased due to issuance of share by way of IPO at premium and generation of higher profit, whereas debt has not been increased resulting in lower debt equity ratio.	

C. Debt Service Coverage Ratio

Profit after taxes	1,157	721
Add: Interest	10	19
Depreciation & Amortization	52	47
Earnings available for debt service	1,220	787
Interest	10	19
Short term borrowings	-	-
Debt Service	10	19
Debt Service Coverage Ratio	11704%	4204%
Increase / (Decrease) in ratio	178%	
Reason for Increase / (Decrease)	Company's equity has been increased due to issuance of share by way of IPO at premium and generation of higher profit, whereas debt has not been increased resulting in improvement in debt service coverage ratio.	



D. Return on equity

Net profit after taxes	1,157	721
Equity (As defined in Debt Equity Ratio)	5,710	2,250
Return on equity ratio	20.26%	32.04%
Increase / (Decrease) in ratio	(36.76)	

Although company has earned higher profit but due to issuance of share by way of IPO at premium, Total Equity of the company has increased drastically resulting in lower return on equity.

E. Inventory Turnover Ratio

Cost of Goods Sold	978	789
Opening stock	127	113
Closing stock	326	127
Average Inventory	227	120
Inventory Turnover Ratio	431%	657%
Increase / (Decrease) in ratio	(34.37)	

Company's Turnover has increased by 32 % during the year, resulting in lower Inventory turnover ratio.

F. Trade Receivables turnover Ratio

Revenue from Operations	3,762	2,848
Average Trade Receivables	303	295
Trade Receivable Turnover ratio (in days)	1239.95%	964.53%
Increase / (Decrease) in ratio	28.55%	

Company's Turnover has increased by 32 % during the year, whereas the debtors have increased marginally, resulting in higher debtor turnover ratio.

G. Trade Payables Turnover Ratio

Total Purchase	1,166	794
Average Trade Payables	277	283
Trade Payables Turnover Ratio (in days)	420.66%	280.40%
Increase / (Decrease) in ratio	50.02%	

Company's purchases has increased by 47 % during the year, whereas the Creditors have decreased marginally, resulting in higher debtor turnover ratio.

H. Net Capital turnover ratio

Revenue from Operations	3,762	2,848
Current assets - Current Liabilities	4,732	1,704
Net Capital turnover ratio	79.51%	167.15%
Increase / (Decrease) in ratio	(52.43)	

The Current assets of the company has increased more as the reason stated earlier, hence capital Turn over ratio is decreased.



I. Net Profit Ratio

Net Profit	1,157	721
Revenue from Operations	3,762	2,848
Net Profit Ratio	30.75%	25.31%

J. Return on capital employed

Profit before taxes	1,605	934
Add: Interest	10	19
Profit before interest and taxes	1,616	952
Share Holders Funds	5,847	2,389
Add: Borrowings		
Total Capital Employed	5,847	2,389
Return on capital employed	27.63%	39.86%
Increase / (Decrease) in ratio	-30.68%	
Reason for Increase / (Decrease)	Although company has earned higher profit but due to issuance of share by way of IPO at premium, Total Equity of the company has increased drastically resulting in lower return on capital employed.	

K. Return on Investment

Profit / (loss) after tax attributable to owners of t	1,157	721
Equity shareholders' fund	5,710	2,250
Return on Investment	20.26%	32.04%
Increase / (Decrease) in ratio	-36.76%	
Reason for Increase / (Decrease)	Although company has earned higher profit but due to issuance of share by way of IPO at premium, Total Equity of the company has increased drastically resulting in lower return on capital employed.	



Details of Benami Property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Details of Loans and advances

The company has not granted any loans and advances to promoters, directors, key managerial personnel (KMPs) and the related parties which are repayable on demand or without specifying any terms or period of repayment.

Wilful Defaulter

The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

Compliance with number of layers of companies

The company has complied with the provision of the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Discrepancy in utilization of borrowings

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date. There are no discrepancy in utilisation of borrowings.

Utilisation of Borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

(B) the company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party).

The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;



The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note-30 Additional Information:

Undisclosed income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency.



COMPANY OVERVIEW

Prevest Denpro Limited with registered office at EPIP Kartholi, Bari Brahmana, Samba, Jammu 181133, Jammu & Kashmir, India is mainly owned and controlled by (i) Shri Atul Modi S/o Shri 0 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.

I. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

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.

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.

B) USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

C) ACCOUNTING CONVENTION

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:



1. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

Income from services

Revenue from services is recognised when services have been rendered and there should be no uncertainty regarding consideration and its ultimate collection.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

Dividend Income

Dividend Income is recognised on receipt basis.

2. Fixed Assets

- a) Fixed are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Fixed Assets are ready for use, as intended by the management;
- c) Subsequent expenditures relating to fixed assets are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on SLM basis as per the useful life prescribed under Schedule II to the Companies Act 2013.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;



3. IMPAIRMENT

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4. INVENTORIES

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts and Packing Material-Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

- b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realisable Value.

5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS

Defined-contribution plans:

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end. Under the Gratuity Fund Plan, the holding company contributes to a LIC administered Group Gratuity Fund on behalf of employees.



The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

13. SEGMENT REPORTING

Company is operating under a single segment



6. FOREIGN EXCHANGE TRANSACTIONS

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

7. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

8. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

9. INCOME TAX

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognised for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

10. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

