

**PARTAP INDUSTRIES LIMITED**  
**VILL. BEOPROR, DISTT. PATIALA, TEHSIL RAJPURA-147401**  
Email id:PARTAPLISTING2017@GMAIL.COM, CIN NO. L15142PB1988PLC008614,PH. 09354902535

Ref: PAR\_LIS\_2019-20-33

9<sup>th</sup> September 2020

Head- Listing & Compliance  
**Metropolitan Stock Exchange of India Ltd. (MSEI)**  
Vibgyor Towers, 4th floor, Plot No C 62, G - Block,  
Opp. Trident Hotel, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 098, India.

**Sub: Submission of Annual Report for the Financial Year 2019-20**

**Ref: No. Stock Code: INE480Y01016 / PARTAPIND**

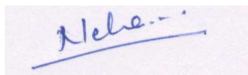
**Dear Sir,**

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015 Please find enclosed herewith Annual Report of the Company for the Financial Year 2019-20.

We request you to kindly take the same on records.

**Thanking you,**

**Yours Faithfully,  
For Partap Industries Limited**

A handwritten signature in blue ink, appearing to read 'Neha', is written over a horizontal line.

**Neha  
Company Secretary**

## Corporate Information

### Board of Directors & KMP

Mr. Sudarshan Paul Bansal	Director
Mrs Sunita Bansal	Director
Mr. Siddharth Bansal	Director
Mr. Gautam Bansal	Director, CFO
Mr. Jatin Sahni	Director
Mr. Arun Kumar Bansal	Director
Mr. Raj Singla	Director
Mr. Ajay Modi	Director
CS Neha	Company Secretary

### Auditors

M/s Sunit Gupta & Associates  
Chartered Accountants  
# 43, Jasmeet Nagar,  
Ambala City Haryana 133002

### Bankers

Bank of Baroda  
Punjab National Bank

### Registered Office

Vill, Beopror, G.T. Road, Near Shambhu Barrier,  
Distt. Patiala, Punjab 140417 INDIA  
Telephone: +91-1762-265244/45  
E-mail: partapdenim.com

**CIN: L15142PB1988PLC008614**

**Website: partapdenim.com**

## **NOTICE : Convening 32<sup>nd</sup> Annual General Meeting**

NOTICE is hereby given that Annual General Meeting of the members of the Company "Partap Industries Limited" will be held on Wednesday the 30<sup>th</sup> day of September 2020 at 11:30 A.M. at the Registered Office of the Company at Village Beopror, Distt.-Patiala, Tehsil Rajpura-147401, to transact the following Business with or without modification ;

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2020, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Siddarth Bansal and Sunita Bansal , who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and 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 139 and all other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Sunit Gupta & Associates , Chartered Accountants (Firm Registration No. 014237 N ), be and is hereby appointed as the Statutory Auditors of the Company for a further period of 5 year commencing from the conclusion of this AGM until the conclusion of 37th AGM to be held for the calendar year 2025. On such remuneration as may be determined by Audit Committee the Board of Directors."

### **SPECIAL BUSINESS:**

4. **Ratification of Remuneration to Cost Auditor**

To consider and, 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable during the year 2018 to Messrs. M/S Santosh Kapoor & Co., Cost Accountants, C- 160, JVTs Gardens, New Delhi – 110074 , having Firm Registration No. 00009 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, amounting to Rs.55000/- (Rupees Fifty Five Thousand Only) plus the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

5. **Ratification of appointment of Internal Auditor:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 138 of the Companies Act, 2013 read with clause 13 of the Companies (Accounts) Rules, 2014 and other Applicable provisions(if any) of the said Act, M/s SGG and Associates, Chartered Accountant (FRN No.-026199N) Kaithal be and is hereby appointed as Internal Auditor of the Company for the Financial year 2020-21 on the fees , scope, functions and terms & conditions of Appointment to be mentioned in the letter of Appointment.

6. **Ratification of appointment of Secretarial Auditor:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 204 of the Companies Act, 2013 and other applicable provision if any of the said Act, CS Shruti Agarwal , Company Secretary(M.no. 38797)(C.P. No.14602) be and is hereby appointed as Secretarial Auditor of the Company for the Financial year 2020-21 on the fees , scope, functions and terms & conditions of appointment to be mentioned in the letter of Appointment .

#### **7. Ratification of appointment of Independent Director:**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ajay Modi (DIN : 01094490,)who was appointed as an Additional Director in the category of ‘Non-Executive, Independent Director’ with effect from February 07, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is here by appointed as a Non-Executive, Independent Director of the Company for a period upto 5 (Five) Consecutive years upto February 06,2025, and whose office shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) or Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **8. Ratification of Appointment of Company Secretary:**

To consider and, 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 203 of the Companies Act, 2013 and any amendments thereto, Ms. Neha an Associate Member of the Institute of Company Secretaries of India, who possess the requisite qualification as prescribed under the Companies (Appointment and Qualifications of Secretary) Rules, 1988, be and is hereby appointed, on such terms and conditions as may be decided by the management, as the Company Secretary of the Company, w.e.f .05.09.2019, to perform the duties of a Secretary as required under the Companies Act, 2013 and any other duties assigned by the Board of Directors from time to time and is hereby ratified and confirmed.”

#### **9. Ratification for Change of Designation of Executive Director to Non Executive Director :**

To consider and, 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 152, of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, has approved by Board of Directors of the Company d to the change in designation of Mrs. Sunita Bansal (DIN 00178380) from Executive Director to Non-

Executive Director of the company, liable to retire by rotation of Directors, effective from 09th November 2019 on such terms and conditions as per Letter of Appointment given to Mrs. Sunita Bansal by the Company and is hereby ratified and confirmed.”

**10. TO APPROVAL OF RELATED PARTY TRANSACTIONS:**

To consider, and if thought fit, to pass the following resolution **as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, as applicable including any statutory modifications or amendments or re-enactments thereto and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (which expression shall include the Audit Committee or any other Committee thereof for the time being exercising the powers conferred by this Resolution) to enter into agreement(s)/ contract(s)/ arrangement(s)/ transaction(s) with SUDARSHAN JEANS PRIVATE LIMITED, SUDARSHAN AUTO INDUSTRIES LIMITED, a Related Party as defined under the Companies Act, 2013 and Listing Regulations, the value of which either singly or all taken together may exceed ten percent of the annual consolidated turnover as per audited financial statements of the Company, during the current financial year 2020-21, relating to sale, purchase, supply of any goods including raw materials, stores and consumables, semi-finished goods, finished goods, etc., carrying out/availing job work, to leasing of factory / office premises / godowns / facilities / reimbursement / recovery of cost or other obligations or any other transaction, for an amount not exceeding in aggregate Rs. 300.00 Crores (Rupees Three Hundred Crores) per financial year, on such terms and conditions as may be mutually agreed between the Company and SUDARSHAN JEANS PRIVATE LIMITED, SUDARSHAN AUTO INDUSTRIES LIMITED.”

**“FURTHER RESOLVED THAT** the Board of Directors or a Committee thereof or any of their delegate(s) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or contractual, in relation to the above and to approve aforesaid agreement(s)/ contract(s)/ arrangement(s)/ transaction(s) and further to do all such acts, deeds, matters and things and finalizes the terms and conditions and to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its/their absolute discretion pursuant to the above Resolution as may be considered necessary or incidental thereto.”

**For and on behalf of the Board of Directors**

**Sd/-**  
**SUDARSHAN PAUL BANSAL**  
**DIRECTOR**  
**DIN NO.00178382**

**Sd/-**  
**GAUTAM BANSAL**  
**DIRECTOR**  
**DIN NO. 02275574**

Registered Office:

(RAJPURA)  
(DATE:28.08.2020)

**NOTES**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4,5,6,7,8,, of the Notice, is annexed here to. The relevant details pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015("SEBI Listing Regulation") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/reappointment at this Annual General Meeting are also annexed herewith in respect of proposed Business(es) pursuant to Section 102 of the Companies Act, 2013 are annexed hereto. A statement giving the relevant details of the Directors seeking re-appointment under Item Nos. 2 of the accompanying Notice, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges is annexed herewith.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Proxy in prescribed Form MGT-11 is enclosed herewith. Proxy shall not have right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
5. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday , 24th September, 2020 to Wednesday , 30th September, 2020 both days inclusive.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or the Company's Registrars and Transfer Agents, Members are request to notify/ send the following to the Company's Registrars and share transfer agent, BEETAL Financial & Computer Services

Pvt. Ltd(CIN:U67120DL1993PTC052486)BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind LSC, New Delhi-110062 (BEETAL) to provide efficient and better services.

8. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / BEETAL. Members are requested to provide their e-mail address along with DP ID/Client ID to beetalrta@gmail.com and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.
9. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Beetal Financial & Computer Services Pvt. Ltd. (BEETAL) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to BEETAL.
10. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) and bank account details by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN and bank account details to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and bank account details to BEETAL.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BEETAL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote
13. 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.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.partapdenim.com](http://www.partapdenim.com). (under 'Investors' section). Members holding shares in physical form may submit the same to BEETAL. Members holding shares in electronic form may submit the same to their respective depository participant.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
16. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
17. The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2019-20 will also be available on the Company's website viz. [www.partapdenim.com](http://www.partapdenim.com)
18. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

19. The board of directors has appointed Mr. Raman Gupta of M/s Jain K Gupta & Co. , Practicing Chartered Accountant ( FRN No. 022444N) & Membership No. 508156) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
20. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. At the AGM the chairman of the meeting shall after discussions on all the resolutions on which voting to be held, allow voting by use of Ballot/Poll paper by all those members who are present at the AGM but have not cast their vote by availing the remote e-voting facility.
23. The Scrutinizer after the conclusion of voting at the AGM will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall not make later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman, who shall countersign the same and declare the results of the voting forthwith.
24. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company during the office hours on all working days up to the date of Annual General Meeting between 11:00 A.M to 1:00 P.M
25. The instructions for e-voting are as under:
  - (i) The voting period begins on Sunday 27th September 2020 (10:00) A.M. and ends on Tuesday 29th September 2020 (05:00) P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting [website www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form:

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.



- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

#### Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction

- (viii). After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Partap Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For and on behalf of the Board of Directors

Sd/-  
SUDARSHAN PAUL BANSAL  
DIRECTOR  
DIN NO.00178382

Sd/-  
GAUTAM BANSAL  
DIRECTOR  
DIN NO. 02275574

Registered Office:

(RAJPURA)  
(DATE:28.08.2020)

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under

##### **ITEM NO.3**

M/s. Sunit Gupta & Associates, Chartered Accountants (Firm Registration No. 014237 N), were appointed as the Statutory Auditor of the Company. For the financial Year 2015-16 at the AGM held on 29.09.2015. M/s Sunit Gupta & Associates is proposed to be reappointed for Next 5 Years as per Section 139(1) of the Companies Act, 2013. The term of the 5 year has been completed on this ensuing AGM, Hence Auditor is appointed for the next 2<sup>nd</sup> Term of 5 Year. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested

##### **ITEM NO. 4**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/S Santosh Kapoor & Co., Cost Accountants, C- 160, JVTs Gardens, New Delhi – 110074, having Firm Registration No. 00009 as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021. The remuneration of the Cost Auditors was fixed by the Board of Directors as Rs. 55000/- (Rupees Fifty Five thousand only) upon the recommendation of the Audit Committee. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to

be ratified by the shareholders of the company. Accordingly, approval of the members is sought for the resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2021.

None of the Directors/Key Managerial Personnel of the Company/their relative are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the members.

**ITEM NO. 5**

The Chairman informed the Board that in terms of Section 138 of Companies Act 2013, appointment of Internal Auditor is compulsory for our Company. He has informed the members that have studied the various quotations received from the firms and selected the one received from M/s SGG and Associates, Chartered Accountant (FRN No.-026199N) Kaithal to work as Internal Auditors of the Company. For Financial Year 2020-21, and well conversant with the system. So the Firm M/s SGG and Associates, Chartered Accountant is appointed as Internal Auditor of the company.

**ITEM NO. 6**

The Chairman informed the Board that in terms of Section 204 of Companies Act 2013, appointment of Secretarial Auditor is compulsory for our Company. He has informed the members that he studied the various quotations received from the firms and selected the one received from CS Shruti Agarwal , Company Secretary(M.no. 38797)(C.P. No.14602) , a practicing Company Secretary to work as Secretarial Auditor of the Company for the Financial Year 2020-21.

**ITEM NO. 7**

Ajay Modi (DIN : 01094490, is M.B.A in Finance. Having vast experience in the field of Finance and Human Resources. In view of the compliance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint Ajay Modi (DIN : 01094490,, as an Independent Director for a term of 5 years from the conclusion of the ensuing Annual General Meeting.

A notice has been received from a member proposing Ajay Modi as a candidate for the office of Director of the Company. Mr. Ajay Modi is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given his consent to act as a Director. The Company has also received declaration from Mr. Ajay Modi that he meets with the criteria of independence as prescribed both under sub-section(6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the listing agreement.

In the opinion of the Board Mr. Ajay Modi the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Ajay Modi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajay Modi as an Independent Director, for the approval by the Shareholders of the Company. Except Mr. Ajay Modi being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise

**ITEM NO. 8**

Mr. Kaushal Walia existing CS has put his resignation forward to the Company. As the company is required to appoint the Company Secretary to act as Compliance Officer as per the Clause 47(a) of the listing Agreement with the Stock Exchanges. Audit Committee has recommended for appointment of Ms. Neha a Member Ship no. A58830 as Company Secretary, who have given their consent to act as Company Secretary and laid on the table the consent letter received from them.

**ITEM NO. 9**

Mrs Sunita Bansal Previous whole time Director of the company, puts her unwillingness to devote her full time to the company. pursuant to the provisions of section 152, of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, approved by the Directors of the Company.

**ITEM NO. 10**

The Company has entered into contracts / arrangements / transactions with the **M/s Sudarshan Jeans Private Limited & M/s Sudarshan Auto Industries Private Limited**, who is related party within the meaning of Section 2(76) of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014 (the "Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"). The Section 188 of the Companies Act, 2013 provides that if transactions with the related parties are not in the ordinary course of business or on arm's length basis, such transactions are required to be approved by the Board of Directors and Shareholders, depending upon the materiality of the transactions. In other words, approval of Board or shareholders, as the case may be, is not required under the Act, if a particular transaction is in the ordinary course of business and on arm's length basis. Revised Listing Regulations provides that all material Related Party Transactions (RPTs), i.e. transaction(s) entered into during a financial year exceeding 10% of the annual consolidated turnover of the Company as per latest audited financial statements require prior approval of the shareholders through special resolution. In the opinion of the Board, the transactions / contracts / arrangements by the Company with the above parties are in the ordinary course of business and at arm's length basis. However, considering the fact that the value of contracts / arrangements / transactions with the aforesaid related parties during a financial year may be material as defined under Listing Regulations and it is proposed to seek the approval of members for the aforesaid arrangements / contracts / transactions for the financial year 2020-21. **M/s Sudarshan Jeans Private Limited** is primarily engaged in the business of trading of various type of terry towel. Partap Industries Limited is manufacturer of Denim Fabric and Polyester/Synthetic Yarns. The company will procure /process the raw material/ semi finished materials from M/s Sudarshan Jeans Private Limited. These transactions are necessary, normal and incidental to business and also play a significant role in Company's business operations and are entered into generally in the ordinary course of business and on arm's length basis. Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 8 of the Notice. The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out at Item No. 10 shall be entitled to vote on this Special Resolution. None of the Directors and Key Managerial Personnel or their relative are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice, except Mr. Sudarshan Paul Bansal and Mr. Gautam Bansal. The Board commends the Special Resolution set out at Item No. 10 of the Notice for approval by the members.

Details of directors seeking appointments/ re- appointments at the Annual General meeting (in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Siddharth Bansal
Age	36
Qualification	M.B.A
Date of Appointment	07.05.2004
Expertise	Production
Other Directorships (Excluding Pvt. Companies) as on 31 <sup>st</sup> March, 2020	2
Chairman /Members of the Committees As on 31st March, 2020	NOMINATION AND REMUNERATION COMMITTEE

Name of Director	Mr. Sunita Bansal
Age	
Qualification	BA
Date of Appointment	01.04.2000
Expertise	Human Resource
Other Directorships (Excluding Pvt. Companies) as on 31 <sup>st</sup> March, 2020	2
Chairman /Members of the Committees As on 31st March, 2020	Stakeholder Realtionship Committee & CSR Commitee

**By Order of the Board**

**Sd/-**

**Authorized Signatories**

**Registered Office:**

**Village Beopror, Tehsil Rajpura**

**(RAJPURA)**

**(28.08.2020)**

**DIRECTORS' REPORT****To,****The Members,**

Your Directors have pleasure in presenting their 32<sup>nd</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

**1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY**

The Board's Report shall be prepared based on the stand alone financial statements of the company.

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Sales & Income form operation	34320.27	27576.38	36526.02	29649.68
Other Income	54.06	292.62	67.66	308.98
Profit before Financial cost, Depreciation and Exceptional items & Tax (EBITDA)	3144.82	2451.48	3300.54	2956.18
Interest	752.55	413.84	902.94	450.03
Depreciation	1689.26	850.25	2794.81	1315.37
Profit/(Loss) before Exceptional and Extraordinary items	703.02	1187.39	-397.22	1190.78
Exceptional & Extraordinary items	1.75		-1.75	
Profit/(Loss) before Tax	701.27	1187.39	-398.97	1190.78
Provision for Taxation				
Current tax	134.00	163.40	134.00	169.93
Mat Credit				
Deferred Tax	1.12	292.56	-118.38	363.80
Profit/(Loss) after Tax	566.15	731.44	-414.58	657.05
Other Comprehensive Income	-3.75	1.87	-3.75	1.87
profit available for appropriation				
Dividend on Equity & Pref. Shares				
Transfer to General Reserve	562.40	733.30	-418.33	658.91

Global economic activity faced several challenges in CY 2019, resulting in a slowdown which was worse than the global financial crisis. Despite challenging business environment the company has posted mixed performance for the year under review. As far as our concern is concerned, Income from operation (Consolidated) of the company has Increased from Rs. 296.49 Crores to Rs. 365.26 Crores. The Company has incurred Consolidated Net Loss of Rs. 398.97 Crores. We are reassessing our strategies in line with the larger macro picture and have made some significant changes to drive our growth focused and opportunity driven strategies. A detailed analysis of the operations of your Company during the year under report is included in the Management Discussion and Analysis Report, forming part of this Annual Report.

## **IMPACT OF COVID-19**

To contain the spread of Covid-19, the Government of India, imposed nationwide lockdown from 24th March, 2020 and the plant of the company was shut down temporarily from 24th March, 2020. The plants received approval for resuming operations and the same was resumed on 20.05.2020. Production at the plant started in gradual manner after implementing necessary precautions as per various guidelines issued by the Government. Since there is significant uncertainty with respect to complete opening up of the economy, it is difficult to ascertain the extent of impact of Covid-19 on performance of the Company in the year 2020-21.

## **OUTLOOK**

The outbreak of Corona Virus (COVID-19) pandemic globally and in India is causing a significant disruption and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services and the uncertainty associated with the lifting or re-imposition of these restrictions, have further aggravated the business environment.

## **2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

Partap Industries Limited was incorporated in the year 1988 and has been engaged in trading of denim fabric and Terry towel. The Company is listed on Metropolitan Stock Exchange of India during the P.Y. 2019-20. The Board is positive about the future growth and expects to increase the growth rate in the upcoming financial years.

## **3. CHANGE IN NATURE OF BUSINESS, IF ANY**

There has been no change in the nature of business of the company during the year and the Company continues to carry on with its existing business.

## **4. DIVIDEND**

This year no dividend has been recommended by the Directors and consequently no amounts have been transferred to general reserves, instead entire profits have been ploughed back for operations of the Company.

## **5. RESERVES**

The Board of the company has decided to retain its profit in its surplus account only.

## **6. SHARE CAPITAL**

Authorized Share Capital of Company at present is Rs. 105000000/- divided into 10500000 Equity Shares of Rs. 10 Each. 5507800 Equity Shares of Rs. 10 Each is Issued & Subscribed, out of which 3202350 Equity Shares are Paid up by the Members of the Company. Detail Information was set out in Financial Statements of Company.



Disclosure regarding Issue of Equity Shares with Differential Rights

During the Financial Year 2019-2020, the Company has not issued any equity shares with differential rights.

Disclosure regarding issue of Employee Stock Options

During the Financial Year 2019-2020, the Company has not issued any Employee Stock Options.

Disclosure regarding issue of Sweat Equity Shares

During the Financial Year 2019-2020, the Company has not issued any Sweat Equity Share

There have been no changes in the share capital of the company during the financial year ended 31st March, 2020.

## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mrs. Sunita Bansal and Mr. Siddharth Bansal, Directors retire by rotation at the ensuing Annual General Meeting. He being eligible and have offered himself for re-appointment as Directors. The Board recommends their re-election. The Directors seeking re-election is not disqualified for being re-appointment as Directors as specified in Companies Act, 2013.

### **Appointment**

Mrs. Sunita Bansal and Mr. Siddharth Bansal Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

On the recommendation of the Nomination and remuneration Committee and approved by the Board of Directors in their meeting held on 07.02.2020, Ajay Modi (DIN : 01094490,) ,appointed as an additional Independent Director of the company w.e.f. 07.02.2020 up to the conclusion of the forth coming Annual General Meeting of the company. Necessary notice, in writing has been received from a member under section 160 of the Companies Act, 2013 proposing name of Mr. Vikash Kumar Kamalsingh Chandaliya (DIN: 08751436),as an Independent director of the company. The company has received declaration from appointed Independent director confirming that he meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Listing Regulations with the Stock Exchanges. On the recommendation of the Nomination and remuneration Committee. The company has received declaration from appointed Independent director confirming that he meets the criteria of Independence as prescribed both under the Companies Act, 2013 and Listing Regulations with the Stock Exchanges.

### **Resignation**

Mr. Siddharth Bansa (DIN :08574619), Independent Director of the company has resigned from the post of directorship due to their health reason. The directors would like to place on record their sincere appreciation for their guidance and unstinting commitment to the company during their tenure on the Board. The Board acknowledges that the company has immensely benefitted from his profound knowledge and experience.

## **8. MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. Details about the meeting held and attendance of Directors are specified in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **9. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY**

A declaration by an Independent Director(s) that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. are placed by the Independent Directors before the Board

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

**10. NOMINATION & REMUNERATION COMMITTEE:**

Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of section 178(3) of the Act and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and remuneration committee (NRC) identifies persons who are qualified to become directors in accordance with the criteria laid down. The NRC review the composition and diversity of Board, keeping in view the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommend to the Board appointment/ reappointment of eligible candidates including their terms of appointment and remuneration. The Committee has comprised as on 31<sup>st</sup> March 2020 consisting of 3 Members i.e Mr. Arun Kumar Bansal (Chairperson), Mr. Jatin Sahni (Member), Mr. Siddharth Bansal (Member)

**11. PERSONNEL AND RELATED DISCLOSURES**

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the company. Pursuant to the provisions of the Companies (Appointment & Remuneration of Managerial Personnel) rules 2014, no employee is drawing remuneration in excess of the prescribed limits. Your company also appreciates that revenue and profit growth cannot take place without the right equality of people. To that effect, your company has undertaken a series of measures that ensures the most appropriate people are recruited in to the organization.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-V forming part of the Annual Report.

**MANAGERIAL REMUNERATION:**

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl No.	Basis	Particulars	
1	The ratio of the remuneration of each wholtime director or managing director to the median remuneration of the employees of the company for the financial year;	Name of directors	Ratio
		Sh. Sudarshan Paul Bansal/Suresh Gupta	16:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Name of directors/CFO/CEO/CS	% increase
		Sh. Sudarshan Paul Bansal	-
		Sh. Sunita Bansal	
		Sh. Siddarth Bansal	
		Sh. Gautam Bansal	-

3	The percentage increase in the median remuneration of employees in the financial year;	Nil
4	the number of permanent employees on the rolls of Company;	250 Employees
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There was no significant increase in the salary of employee of the Company in the last financial year.
6	Affirmation that the remuneration is as per the remuneration policy of the company	This is hereby confirmed that the remuneration is in accordance with the remuneration policy formulated by the Nomination and Remuneration Committee of the Board and adopted by the Board of the Company

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 attached here in Annexure-V

C) There is no Director who are in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission.

## **12. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee. The evaluation process covered the aspects which included Board structure and composition, frequency of Board meetings, participation in the long term strategic planning, contribution to and monitoring of corporate governance practices and the fulfilment of Directors' obligation and fiduciary responsibilities, including but not limited to, active participation at the Board and committee meetings.

This evaluation is led by the Chairman of the Board Governance, Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

**13. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of Regulations 34 of the Listing regulations, a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Statutory Auditors confirming compliance with regulations relating to Corporate Governance of the Listing regulation is set out and forms part of this Annual Report

**14. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with provisions of sub-section (3) of Section 129 of the Act and the Listing Regulations, the consolidated Financial Statements of the company, including the financial details of the subsidiary company forms part of this Annual report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

**15. RECEIPT OF ANY COMMISSION BY MD / WTD FROM THE COMPANY OR FOR RECEIPT OF COMMISSION / REMUNERATION FROM ITS HOLDING OR SUBSIDIARY**

The Managing Director of the company has not received any commission from the Company or it's Subsidiary during the year under review.

**16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure-VI [Performance and financial position of each of the subsidiaries, associates and joint venture companies]

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

**17. AUDITORS:**

The Auditors, M/s Sunit Gupta & Associates, Chartered Accountants, Ambala City has been appointed for the 5 years till the conclusion of 32th AGM. The board is hereby appointed as the Statutory Auditors of the Company for a further period of 5 year commencing from the conclusion of this AGM until the conclusion of 37th AGM to be held for the calendar year 2025

**18. AUDITORS' REPORT**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**19. FRAUD REPORTING**

The company has adopted best practices for fraud prevention and reporting. No fraud on or by the company has been reported by the statutory auditors.

**20. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT**

There is no Revision of Financial Statements

**21. DISCLOSURE ABOUT COST AUDIT**

As per the Cost Audit Orders, Cost Audit is applicable to the Company's as per the Applicable provisions of the Companies Act, 2013 and "Textile " products/ business of the Company for the FY 2019-20

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/S Santosh Kapoor & Co., Cost Accountants, C- 160, JVTs Gardens, New Delhi – 110074 , have been appointed as Cost Auditors to conduct the audit of cost records of your company for the financial year 2020-21. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

**22. AUDIT COMMITTEE**

The Committee met four times during the year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The Committee as on 31<sup>st</sup> March, 2020 comprises of Mr Jatin Sahni, Mr. Arun Kumar Bansal and Mr Sudharshan Paul Bansal. All recommendations made by the Audit Committee during the year were accepted by the Board.

**23. SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act and Rules made there under, CS Shruti Agarwal (M.No. A 38797, COP No. 14602), Practicing Company Secretary have been appointed Secretarial Auditors of the Company for the Year. The report of the Secretarial Auditors is enclosed as Annexure VII to this report. The report is self-explanatory and do not call for any further comments.

**24. INTERNAL AUDIT & CONTROLS**

Our Company has put in place adequate internal financial controls with reference to the financial statements. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed. The Internal Auditor certifies on the assurance of adequacy of Internal Control System on quarterly basis which are regularly reviewed by the Audit Committee. Independence of the audit is ensured by the direct reporting of internal audit function to the Audit Committee of the Board.

The Company appoint M/s SGG and Associates, Chartered Accountant (FRN No.-026199N) Kaithal as its Internal Auditor for the year 2020-21 During the year, the Company continued to implement their suggestions and recommendations to improve the control environment.. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of on an ongoing basis to improve efficiency in operations.

**25. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE I.

**26. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes since the date of Balance Sheet and up to the date of this report on the financial statements of the company.

**27. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There is no such order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**28. DEPOSITS**

The Company has not accepted or renewed any deposits within the meaning of Section 73 to 76 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Particulars of Investment made Under Section 186 of Companies Act are give Under Note 11 of Financial Statement of the Company.

**30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are reviewed by the CFO and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

The particulars of every contract or 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 arm's length transactions under third proviso thereto shall be disclosed in Form No. AOC-2. As Annexure IV.

**31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as attached in Annexure-III

**32. FOREIGN EXCHANGE TRANSACTIONS**

In order to hedge the company's exposure to foreign exchange and interest rate, the company enters into forward contracts. In case of liabilities in respect of foreign currency loans obtained for acquisition of fixed assets, the variation in the liabilities arising out of exchange rates at the year end have been capitalized during the year as per Companies(Accounting Standard) Amendment Rules, 2009.

**33. RISK MANAGEMENT POLICY**

The Board has approved a Risk Management Policy in commensuration to the size and nature of the business which includes adherence to general financial discipline and checks to safeguard unauthorized use of company assets and finance. The same are reviewed and revised as per the needs to minimize and control the risk. The Risk Management Policy of the Company's can be accessed at Company Registered office address.

**34. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility (CSR) is an integral part of the Company's ethos and policy and it has been pursuing on a sustained basis. The Company assists schools situated at nearby villages by distributing dresses & books among poor students and computers nearby situated primary schools etc. Technical education and training are imparted to the employees through Industrial Training and Workshops. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people. The main focus areas taken in the policy are Education, Health Care, Animal Care, Environment safety, contribution to any relief fund set up by Government, The brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR activities during the year are set out in Annexure of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014 (Annexure-II). The Policy is available on the website of the Company.

The Corporate Social Responsibility and the governance committee have formulated and recommended to the Board, a Corporate Social Responsibility policy (CSR Policy) indicating the activity to be undertaken by the company, which has been approved by the Board. During the year, the Company has done expenses on the required amount for the purpose of CSR Activities, The CSR is the New Section Inserted in the Companies Act, 2013, The CSR Committee comprises of three directors, namely, Mr. Jatin Sahni, Mr. Arun Kumar Bansal , Mrs Sunita Bansal

**35. INSURANCE**

All the properties of the Company including buildings, plant and machineries and stocks have been adequately insured.

**36. DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section and submitted to the Board.

**37. FAMILIAZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

A policy on familiarization program for Independent Directors has also been adopted by the Company and is put up on the website of the company, [www.partaldenim.com](http://www.partaldenim.com). All new Independent Directors (IDs) inducted in to the



Board are presented with an overview of the Company's business operations, products, organization structures and about the Board Constitutions and its procedures.

### **38. CODE OF CONDUCT**

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and senior management and employees to such extent as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence.

A copy of the Code has been uploaded on the Company's website [www.partapdenim.com](http://www.partapdenim.com). The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually.

A declaration signed by the Company's Managing Director for the compliance of this requirement is published in this Report.

### **39. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for

- (A) adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- (B) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

### **40. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF THE DIRECTOR**

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of section 178(3) of the Act and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nomination and remuneration committee (NRC) identifies persons who are qualified to become directors in accordance with the criteria laid down. The NRC review the composition and diversity of Board, keeping in view the requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommend to the Board appointment/ reappointment of eligible candidates including their terms of appointment and remuneration

### **41. CORPORATE GOVERNANCE**

The Company has taken adequate steps to ensure that all mandatory provisions of "Corporate Governance" as provided in Regulations 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements), 2015, as applicable, are duly complied.

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India (SEBI). A separate report on Corporate Governance along with Certificate from M/s. Sunit Gupta & Associate, Chartered Accounts on compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as part of this Annual Report.

The Report on Corporate Governance as per the requirement of SEBI (Listing Obligations and Disclosure Requirements), 2015 forms part of this report as Annexure-VIII

**42. DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES**

The details thereof are given in the Corporate Governance Report forming part of the Annual report. As Annexure-VIII

**43. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has in place Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Directors state that during the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance towards any kind of harassment, and the Company has less than 10 (ten) employees and no cases of harassment were filed or reported during the year under report

**44. HUMAN RESOURCES & INDUSTRIAL RELATIONS**

The Company understands that employees are vital and valuable assets. The Company recognises people as the primary source of its competitiveness and continues its focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfil their aspirations.

The Company continued to maintain harmonious and cordial relations with its workers in all its businesses during the year under report. Your company firmly believes that a dedicated work force constitute the primary source of sustainable competitive advantage.

**45. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care 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;

(d) the directors had prepared the annual accounts on a going concern basis; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**46. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**47. KEY MANAGERIAL PERSON**

Pursuant to the provisions of section 203 of the Companies Act, 2013 read with rules framed thereunder the following persons are the key Managerial Personnel of the company.

- 1) Mr. Sudarshan Paul Bansal , Managing Director
- 2) Ms. Neha, Company Secretary and Compliance Officer
- 3) Mr. Gautam Bansal, Chief Financial Officer

**48. SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, respectively, have been duly followed by the Company.

**49. ACKNOWLEDGEMENTS**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

Sd/-

SUDARSHAN PAUL BANSAL  
DIRECTOR  
DIN NO.00178382

Sd/-

GAUTAM BANSAL  
DIRECTOR  
DIN NO. 02275574

Place:Rajpura

Date: 28.08.2020

ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
i.	Annual Return Extracts in MGT 9
ii.	Annual Report on Corporate Social Responsibility
iii.	Disclosure of Conservation of Energy, Technology Absorption and Foreign Exchange Earning.
iv.	AOC 2 – Related Party Transactions disclosure
v.	Particulars of employees pursuant to the Companies Act
vi.	AOC-1-Statement containing Silent Features of Subsidiary & Associates Concerns
vii.	MR-2 Secretarial Audit Report
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ix.	Financial Statements for the year ending as on 31.03.2020

Annexure I**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2020**

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

**REGISTRATION & OTHER DETAILS:**

1.	CIN	L15142PB1988PLC008614
2.	Registration Date	16/08/1988
3.	Name of the Company	PARTAP INDUSTRIES LIMITED
4.	Category/Sub-category of the Company	COMPAN LIMITED BY SHARES/INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	VILLAGE BEOPRORG T ROAD TEH RAJPURA, DISTT PATIALA,PUJABB, INDIA
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	-

I 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	TERRY TOWEL,DENIM FABRIC, COTTON YARN	131- Spinning, weaving and finishing of textiles	100 %

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)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	TERRY TOWEL,DENIM FABRIC, COTTON YARN	131- Spinning, weaving and finishing of textiles	100 %

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sl.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sudarshan Auto Industries Limited	U25203PN2011PTC141514	Holding	99.5%	Section 2(87)
2	Sudarshan Jeans Pvt. Ltd.	U17290PN2009PTC134883	Associates	40.32%	Section 2(6)

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2114475		2114475	66%	2114475		2114475	66%	0
b) Central Govt		0	0	0		0	0	0	0
c) State Govt(s)		0	0	0		0	0	0	0
d) Bodies Corp.		0	0	0		0	0	0	0
e) Banks / FI		0	0	0		0	0	0	0
f) Any other		0	0	0		0	0	0	0
Total shareholding of Promoter (A)	2114475		2114475	66%	2114475		2114475	66%	0

B. Public Shareholding									
1. Institutions		0	0	0		0	0	0	0
a) Mutual Funds		0	0	0		0	0	0	0
b) Banks / FI		0	0	0		0	0	0	0
c) Central Govt		0	0	0		0	0	0	0
d) State Govt(s)		0	0	0		0	0	0	0
e) Venture Capital Funds		0	0	0		0	0	0	0
f) Insurance Companies		0	0	0		0	0	0	0
g) FIs		0	0	0		0	0	0	0
h) Foreign Venture Capital Funds		0	0	0		0	0	0	0
i) Others (specify)		0	0	0		0	0	0	0
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.		0	0	0		0	0	0	0
i) Indian		0	0	0		0	0	0	0
ii) Overseas		0	0	0		0	0	0	0
b) Individuals		0	0	0		0	0	0	0



i) Individual shareholders holding nominal share capital up to Rs. 1 lakh		1087875	1087875	34%		1087875	1087875	34%	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		0	0	0		0	0	0	0
c) Others (specify)		0	0	0		0	0	0	0
Non Resident Indians		0	0	0		0	0	0	0
Overseas Corporate Bodies		0	0	0		0	0	0	0
Foreign Nationals		0	0	0		0	0	0	0
Clearing Members		0	0	0		0	0	0	0
Trusts		0	0	0		0	0	0	
Foreign Bodies - D R		0	0	0		0	0	0	0
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)		1087875	1087875	34%		1087875	1087875	34%	0
C. Shares held by Custodian for GDRs & ADRs		0	0	0		0	0	0	0
Grand Total (A+B+C)		3202350	3202350	100%		3202350	3202350	100%	0

B) Shareholding of Promoter-

**PARTAP INDUSTRIES LIMITED**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
1	Sh. Sudarshan Paul Bansal	1121715	35.03%	0%	1121715	35.03%	0%	
2	Smt. Sunita Bansal	544110	16.99%	0%	544110	16.99%	0%	
3	Sh. Gautam Bansal	206400	6.45%	0%	206400	6.45%	0%	
4	Sh. Siddarth Bansal	242250	7.56%	0%	242250	7.56%	0%	

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

SN	Particulars	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
	At the beginning of the year	2114475	66.03%	2114475	66.03%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	2114475	66.03%	2114475	66.03%

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	PRATAP EXTRACTION LTD	274500	8.5	274500	8.5
2	RASHMI BANSAL	63900	1.99	63900	1.99

3	HARVINDER SINGH KATHURIA	37500	1.17	37500	1.17
4	MARUTI DEVI	30000	0.93	30000	0.93
5	VIDUSHI BANSAL	26550	0.82	26550	0.82
6	JAMNA DEVI	24750	0.77	24750	0.77
7	PAWAN KUMAR SINGLA	22500	0.70	22500	0.70
8	KARAN SINGH	18750	0.58	18750	0.58
9	PRIYAM BANSAL	18600	0.58	18600	0.58
10	BALRAJ SHARMA	16500	0.51	16500	0.51
11	PRAKASH CHAN	15750	0.49	15750	0.49
12	ASHOK KUMAR	15750	0.49	15750	0.49
13	PAWAN BANSAL	15750	0.49	15750	0.49
14	PRIYAMBADA BANSAL	15375	0.48	15375	0.48
15	BANSAL RISHAV	15000	0.46	15000	0.46

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	At the beginning of the year	2114475	66.03%	2114475	66.03%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	2114475	66.03%	2114475	66.03%

F) 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	50,54,45,293	7,71,69,996		58,26,15,289.00
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction	10,71,35,826	2,84,47,927		15,58,57,895
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	39,83,09,467	4,87,22,069		42,67,57,394
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	39,83,09,467	4,87,22,069		42,67,57,394

# XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTM/ Manager				Total Amount(Rs.)
		Sudarshan Paul Bansal	Sunit Bansal	Gautam Bansal		
1	Gross salary					

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	108Lacs		96Lacs		204 Lacs
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0		0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0		0
2	Stock Option	0	0	0		0
3	Sweat Equity	0	00	0		0
4	Commission- as % of profit	0	0	0		0
5	Others, please specify	0	0	0		00
	Total (A)	108 Lacs		96 Lacs		204 Lacs

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount(rs.)
		Jatin Sahni	Arun Kumar Bansal	Raj Singla		
1	Independent Directors	30000	170000	10000		210000
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel (AMOUNT IN Rs.)			
		CEO	CS	CFO	Total

1	Gross salary	NA	300000		
	(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	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total		300000		

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-  
SUDARSHAN PAUL BANSAL  
DIRECTOR  
DIN NO.00178382

Sd/-  
GAUTAM BANSAL  
DIRECTOR  
DIN NO. 02275574

Place:Rajpura  
Date: 28.08.2020

**ANNEXURE TO DIRECTORS' REPORT****ANNEXURE -II****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

(Pursuant to Section 134 (3) (O) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) rules, 2014)

**THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs.

**I. CSR POLICY**

This CSR Policy encompasses Partap Industries Limited India's philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

**II. VISION STATEMENT AND OBJECTIVE**

1. The CSR Policy sets out Partap Industries Limited commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
  2. In alignment with the above vision, Partap Industries Limited, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
  3. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
  4. The objective of this CSR Policy is to:
    - (i) Outline projects, programs and activities to be undertaken by Partap Industries Limited ;
    - (ii) Specify the modalities of execution of such projects, programs and activities;
    - (iii) Monitor the process to be followed for such projects, programs and activities;
    - (iv) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
    - (v) Generate community goodwill for Partap Industries Limited and help reinforce a positive and socially responsible image, through our CSR Activities.
- (2) The Composition of the CSR Committee.
1. The CSR Committee has been constituted in accordance with the provisions of the Act comprising of the 3 (three) Directors. The CSR Committee may invite other experts/ invitees as per its requirements.



2. The CSR Committee shall be responsible for:
- (i) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
  - (ii) Institute an implementation and monitoring mechanism for CSR Activities;
  - (iii) Periodically updating the Board on the progress being made in the planned CSR Activities;
  - (iv) Providing a responsibility statement in the Board's report.

## **CSR POLICY**

The Corporate Social Responsibility Committee (CSR) Policy sets out the Company's commitment and approach towards Corporate Social Responsibility for improving the quality of life of the communities it serves. The Company's CSR policy is multifaceted to cover projects and programmes in the field of education, healthcare, rural improvement initiatives. The Company's CSR projects and programs are carried out within CSR policy.

The focus areas for CSR activities are:

### **1) Education:**

Partap Industries Limited will undertake initiatives for imparting training to develop language skills to enhance individual employability of youth in marginalized and deprived sections of the society. Supporting projects and programs for education and development of children from weaker sections of the society directly or through Charitable Trusts, as considered necessary.

### **2) Health:**

Providing financial assistance to institutions, hospitals, charitable trusts and NGOs pursuing projects and programs benefiting paediatrics and cancer patients, people suffering from AIDS, the Blind, Deaf and Dumb and other critical disease. Organising blood donation camps, various health check-up camps.

### **3) Disaster relief:**

Contributions towards disaster relief and rehabilitation through appropriate agencies as and when required.

### **4) Village Improvement Initiative:**

Under this program, the company is to take on following social activities to improve nearby villages.

- 1) Drinking water facility
- 2) Distribution of Books & Dresses to students and Computers to Schools situated in nearby villages of our Plant.
- 3) Free medical check up of employees and nearby villagers.
- 4) Blood Donation Camps
- 5) Contributions in Samuhik Vivah occasions in nearby villages.

In addition to the identified areas of focus mentioned above, the Company may also undertake other activities defined in Schedule VII of the Companies Act, 2013.

The CSR policy has been uploaded on the website of the Company at [www.partapdenim.com](http://www.partapdenim.com).

Year	Net profit as per Section 198 of the Companies Act,2013 (Rs. In Crores)
2016-17	16.19
2017-18	10.83
2018-19	11.87
Average net profits of last three years	12.96
<b>Amount of CSR Spending=2% of Average Net Profit</b>	<b>0.26</b>

Details of CSR spent during the financial year : -

a) Total amount spent for the financial year : Rs. 59.20 Lakh

b) Amount unspent , if any : Rs. Nil

c) Manner in which amount spent during the financial year is detailed below : Paid to Charitable Society , Like Aadhar Foundation, who is primarily associated with the welfare of Society, eradication of poverty and other manner mentioned above.

7.A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Date: 28.08.2020

Place: Rajpura

For on behalf of CSR Committee & Board

Sd/-

Partap Industries Limited

## ANNEXURE TO DIRECTORS' REPORT

## ANNEXURE – III

## Disclosure of Conservation of Energy, Technology Absorption and Foreign Exchange Earning.

## PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) Conservation of Energy: Energy conservation is a high priority area for the Company. Our continued effort to reduce and optimize the use of energy consumption has shown positive results. The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is putting best endeavour to reduce energy consumption in all its operations and activities. The Company continued its energy conservation drive with the main focus on improving efficiency through adoption of the new technology and optimization of the operations.

The energy saving initiatives throughout the year are as under:

- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment ( i.e. motors, fans, pumps and motors etc.) Continuously.
- Automated load management system to improve power factor with reduced contract demand
- Installed Ventilation system for intake of Air of Air Compressors resulting increasing the life of the Air Filters.
- Planned routine schedule for checking Air leakages in the various system resulting reduction in air Consumption.
- Optimise Spinning Quench temperatures to save energy.
- Additional capacitors bank installed at substation.
- Improved natural illumination done to reduce power consumption
- Use of energy saving luminaries for lightings
- Introduction of efficient power factor controller to maintain power factory with limit.
- Reduced utilization of compressors during shifts

FORM A

PARTICULARS	For the Year Ended	
	31.03.2020	31.03.2019
Electricity		
(a) Purchased		
Unit	16385888	18472528
Total amount	109785450	127460450
Rate/unit	6.78	6.94
(b) Own generation		
Through diesel generator		
Litre(HSD)	175300	182000
Unit	534665	555100
Units per litres of diesel oil(Avg.)	3.10	3.05
Cost/unit		

**Consumption per unit of Production**

In view of the varied nature of the Products, the compilation of accurate consumption of per unit of production is not feasible

**(B) Technology Absorption:**

The Company has no R&D facilities with it and carries out its research on job only. No technology has been imported by the Company during the year under review.

**FORM B****(Forms for disclosure of particulars with respect to Technology Absorption)****I. Research and Development (R & D)****1. Specific areas in which R & D carried out by the company**

- a) Optimisation of quench temperature.
- b) Modification in polymerization to improve process cost
- c) Up -gradation and modification in yarn spinning lines
- d) Value added new yarns in both FDY and DTY are developing.

**2. Benefit derived as a result of the above R & D**

- a) Reduction in wastage
- b) Reduction in cost of power
- c) Improvement in product development
- D) Improvement in safety and quality

**3. Future plan of action**

- a) Development of new properties in yarns for value addition.
- b) Optimization of product process for value added product mix.
- c) Servers and PLC, Drives, Encoders, etc. of POY automation to be upgraded.

**4. Expenditure on R & D / Product Development**

Capital and recurring expenditure is incurred by the company regularly.

**II. Technology absorption, adaptation and innovation****1. Efforts made towards technology absorption, adoption and innovation**

- a) Replacing local developed spares from costlier imported spares.
- b) Optimization of raw material utilization, process engineering and reduction of wastage .

**2. Benefits derived as a result of above efforts**

- a) Improvement in operating performance and reduction in wastage
- b) Improved reliability of the process.

- c) Reduction in energy & other costs.
- D) Improved human and asset safety.

3. Information regarding technology imported during the last five years  
Technology Imported Year of Import Status Nil

(C) Foreign Exchange Earnings & Outgo:

Activity relating to export: During the financial year 2019-20, the Company has made Direct Export of Denim to the USA to the tune of Rs220.45(In Lacs) .Company is taking initiative steps to Increase the Exports and capture more foreign markets, thereby increasing foreign earning. The Company is in process of Developing new Export market and planning to do more exports in the other Countries like Australia , Canada.

The Company imported components, spare parts worth Rs. 0.02 Lacs , on purchase of PM 159.12 Lacs and earn F.O.B value of Export of Rs.220.45( In Lacs) during the year under review. This has been covered as a part of the notes to the financial statements in this Annual Report.

Annexure – IVFORM 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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date 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 contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details	Details	Details
a)	Name (s) of the related party & nature of relationship	Sudarshan Auto Industries Limited	Sudarshan Jeans Pvt. Ltd.	Directors
b)	Nature of contracts/arrangements/transaction	Loan Given	Sales/Purchase	Remuneration paid to Director
c)	Duration of the contracts/arrangements/transaction	NA	NA	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advance Given to Sister Concern	Sale/Purchase made During the Year	As per the Remuneration Policy of Company.

e)	Date of approval by the Board	28/07/2014	10/07/2010	
f)	Amount paid as advances, if any			

For and on behalf of the Board of Directors

Sd/-  
SUDARSHAN PAUL BANSAL  
DIRECTOR  
DIN NO.00178382

Sd/-  
GAUTAM BANSAL  
DIRECTOR  
DIN NO. 02275574

Annexure - V

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	N a m e	Designatio n/ Nature of Duties	Remuneratio n Received [Rs.]	Qualific ation	Experienc e in years	Age in years	Date of commencement of employment	Last employ ment held
1	2	3	4	5	6	7	8	9
1	Sudarshan Paul Bansal	Managing Director	Rs.108 Lacs	M.Com	42Years	62Years	16.08.1988	
2.	Gautam Bansal	Director	Rs.96 Lacs	MBA	12 Years	30Years	08.03.2010	

Notes;

- All appointments are / were non-contractual
- Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
- None of the above employees is related to any Director of the Company employed for part of the financial year.

For and on behalf of the Board of Directors

Sd/-  
SUDARSHAN PAUL BANSAL  
DIRECTOR  
DIN NO.00178382

Sd/-  
GAUTAM BANSAL  
DIRECTOR  
DIN NO. 02275574



Annexure - VI

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

## Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	
Name of the subsidiary	Sudarshan Auto Industries Pvt.Ltd.
The date since when subsidiary was acquired	29.11.2011
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
Share capital	Rs. 8,00,00,000/-
Reserves and surplus	(Rs. 124,064,051/-)
Total assets	Rs. 42,31,37,022/-
Total Liabilities	Rs. 42,31,37,022/-
Turnover	Rs.22,67,34,245/-
Profit before taxation	Rs. (11,00,23,089/-)
Provision for taxation	Rs. (1,15,68,656)/-
Profit after taxation	Rs. (9,84,54,433)/-
Proposed Dividend	NIL
Extent of shareholding (in percentage)	99.5%

Notes: The following information shall be furnished at the end of the statement:

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

Names of subsidiaries which are yet to commence operations: NA

Names of subsidiaries which have been liquidated or sold during the year.:NA

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Sudarshan Jeans Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.03.2030
2. Date on which the Associate or Joint Venture was associated or acquired	27.09.2009
3. Shares of Associate or Joint Ventures held by the company on the year end	
No.	241900 Shares
Amount of Investment in Associates or Joint Venture	Rs. 5,93,90000/-
Extent of Holding (in percentage)	40.32%
4. Description of how there is significant influence	Management & Promoters of the both the Concern are same
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 43.96Cr.
7. Profit or Loss for the year	Rs. 7.75 Cr
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	NA

Names of associates or joint ventures which are yet to commence operations.: NA

Names of associates or joint ventures which have been liquidated or sold during the year.:NA

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified".

**For and on behalf of the Board of Directors**

**Sd/-**  
**SUDARSHAN PAUL BANSAL**  
**DIRECTOR**  
**DIN NO.00178382**

**Sd/-**  
**GAUTAM BANSAL**  
**DIRECTOR**  
**DIN NO. 02275574**

Annexure-VII

Form No. MR-3  
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2020

To,  
The Members,  
Partap Industries Limited.  
Rajpura, Punjab.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARTAP INDUSTRIES LIMITED**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the PARTAP INDUSTRIES LIMITED (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Partap Industries Limited**. ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from December 1, 2015.

(j) and other Applicable Acts: like

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employees State Insurance Act, 1948

The Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Payment of Bonus Act, 1965

The Payment of Gratuity Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Environment (Protection) Act, 1986 (read with The Environment (Protection) Rules, 1986)

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.

The Water (Prevention and Control of Pollution) Act, 1974 (read with Water (Prevention and Control of Pollution) Rules, 1975)

The Air (Prevention and Control of Pollution) Act, 1981 (read with Air (Prevention and Control of Pollution) Rules, 1982) and all other laws applicable to the company not mentioned hereinabove

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the Metropolitan Stock Exchange of India Limited.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has not done any specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Signature:

Name of the Company Secretary in Practice: CS Shruti Agarwal

M.No.:A 38797

C P No.:14602

Place: Chandigarh

Date: 28.08.2020

UDIN: A038797B000677974

\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

‘ANNEXURE A’

To,  
The Members,  
Partap Industries Limited  
Rajpura, Punjab.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Name of the Company Secretary in Practice: CS Shruti Agarwal

M.No.:A 38797

C P No.:14602

Place: Chandigarh

Date:28.08.2020

UDIN: A038797B000677974

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
Partap Industries Limited.  
Village Bepror, Tehsil Rajpura  
Punjab .

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PARTAP INDUSTRIES LIMITED having CIN L15142PB1988PLC008614 and having registered office at Vill, Beopror, G.T. Road, Near Shambhu Barrier, Distt. Patiala, Punjab 140417 India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Initial Date of Appointment
1	Sudarshan Paul Bansal	00178378	30.03.2015
2	Sunita Bansal	00178380	30.03.2015
3	Siddharth Bansal	00178382	07.05.2004
4	Gautam Bansal	02275574	08.03.2010
5	Arun Kumar Bansal	07804723	04.04.2017
6	Raj Singla	00633852	15.11.2017
7	Jatin Sahni	08202026	16.08.2018
8	Ajay Modi	01094490	07.02.2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name of the Company Secretary in Practice: CS Shruti Agarwal

M.No.:A 38797

C P No.:14602

Place: Chandigarh

Date: 28.08.2020

UDIN: A038797B000677985

**Corporate Governance**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company firmly believes in practice of good Corporate Governance and in protecting the rights and interests of its shareholders, customers, dealers, employees and with the every individual who deals and comes in contact with the Company by instilling the principle of integrity, transparency, professionalism, accountability and check at the different levels of the management of the Company.

**2. CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code for Financial Year 2019-20. A declaration to this effect duly signed by the Managing Director and the Chief Executive Officer form's part of this Annual Report.

**3. BOARD OF DIRECTORS****Composition and Board Meetings**

Currently our Board has eight (8) Directors. We have Two (2) Executive directors, Three (6) Non-Executive Directors and out of which four (4) Independent Directors. The constitution of our Board is in compliance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The mix provides a combination of professionalism, knowledge, experience required in the line of Business of the Company.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act 2013 and rules framed there under and as per clause 49 of Listing Agreement.

During the financial year 2019-20, 10(Ten) Board Meetings were held on - 20th May 2019; 15<sup>th</sup> June 2019, 14th August, 2019; 28th August 2019, 16<sup>th</sup> September 2019, 9<sup>th</sup> November 2019, 27<sup>th</sup> December 2019, 7<sup>th</sup> February 2020, 14<sup>th</sup> February 2020, 24<sup>th</sup> March 2020. The maximum gap between any two meetings was less than one hundred and twenty (120) days as stipulated under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As mandated under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on the Board is a member of more than 10 Committees of Board or Chairman of more than 5 Committees across all the Companies in which he/she is a Director. The details of each Member of the Board along with number of Directorship(s)/Committee Membership(s) held by Directors in any other companies along with all other requisite information are provided herein below for the period ended March 31, 2020:

**PARTAP INDUSTRIES LIMITED**

Name of Director	Category of Directorship	DIN	No. of Board Meeting attended	Attendance at the last AGM held on 30.09.2019	No. of Directorships in other companies as on 31.03.2020	No. of other Committee(s) of Board in which he/she is a member	No. of other Board Committee(s) of which he is a Chairman
Sudarshan Paul Bansal	Executive Director	00178378	10	Present	3	1	0
Sunita Bansal	Non-Executive-Non Independent Director	00178380	10	Present	0	2	0
Gautam Bansal	Executive Director	02275574	10	Present	3	0	0
Siddharth Bansal	Non-Executive-Non Independent Director	00178382	10	Present	3	1	0
Arun Kumar Bansal	Non-Executive-Independent Director	07804723	7	Present	0	4	2
Raj Singla	Non-Executive-Independent Director	00633852	5	Present	0	1	0
Jatin Sahni	Non-Executive-Independent Director	08202026	4	Present	0	3	2
Ajay Modi	Non-Executive-Independent Director	01094490	0	NA	0	0	0

**Separate Meeting of Independent Directors:**

A separate meeting of Independent Directors of the Company was held on 31<sup>st</sup> December, 2019 as required under Schedule IV to the Companies Act 2013 (Code of Independent Directors) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the Meeting, the Independent Directors:

- (a) Reviewed the performance of Non-Independent Directors and the Board as a whole; and
- (b) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Director Present at the meeting, attended the Meeting of Independent Directors while Mr. Jatin Sahni chaired the meeting.

None of the Non-Executive Directors and Independent Directors of the Company has any material pecuniary relationship or transactions with the Company.



**DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS**

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section. The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

**INDEPENDENT DIRECTORS**

The Independent Directors of the Company meet the requirements laid down under the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have declared that they do not fall under any disqualifications specified under the Companies Act, 2013.

**TRAINING OF INDEPENDENT DIRECTORS**

Whenever new Independent Director is inducted on the Board, he/she is introduced to the Company's Policies and procedures through appropriate orientation session, Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letters of Independent Directors are issued to each Independent Director upon his/her appointment once approved by Members.

**PERFORMANCE EVALUATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Independent Directors are Non-Executive Directors of the Company and eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board helps in taking complex business decisions.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of each Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Board of Directors of the Company adopted the Familiarization Program ("the Program") for Independent Directors of the Company. Some of the key features of the Program are as under:

**Purpose**

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

**Overview of the Familiarisation process**

The Company undertakes various initiatives to familiarise the Independent Directors with the Company, its business, operations, risks, nature of industry, their roles and responsibilities etc. These initiative are summarized as below:

- At the time of appointment, new Independent Director is provided with Annual Report of the Company, Code of Conduct for Directors, Code of Conduct for Prevention of Insider Trading, detailed information regarding products of the Company, Memorandum & Articles of Associations, policies of the company framed by the board or its committees, compositions of board and its committees, terms of references of the Committee in which the Director is inducted.

- The Executive Directors / Senior Management personnel make presentations to the inductees about your Company's strategy, operations, products, markets, finance, human resources, technology, quality, facilities and risk management.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration, Code of Conduct and obligations on disclosures, is issued to the Independent Director at the time of appointment.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairman and Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- The Independent Directors of the Company are given every opportunity to familiarize themselves with the Company, its management and its operations so as to understand the Company, its operations, business, industry and environment in which it functions.
- Quarterly information is presented to the Board on business performance, operations, market conditions, financial parameters, debtor's positions, working capital management, fund flow position, senior management changes, investment, regulatory compliances, related party transactions, risk management framework, area of concern in Internal Audit, formation of various policies etc.
- The Independent Directors has complete access to the information within the company. They may seek any information pertaining to matter laid before the Board.
- The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time;

### **CODE OF CONDUCT**

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. The compliance of the same has been affirmed and a declaration signed by the Managing Director forms part of this Annual Report. Code of Conduct has also been posted on the Company's website i.e. [www.partapdenim.com](http://www.partapdenim.com).

### **COMMITTEES OF BOARD**

The company has four Board Committees namely Audit Committees, Nomination & Remuneration Committee and Stakeholders' Grievance Committee, Risk Management Committee. The terms and reference of all four Board Committees were determined by the Board. The role and Composition of these board committees, including the number of meetings held and corresponding attendance at the meetings have been produced below:

The following committees have been formed in compliance with the Corporate Governance norms:

- Audit Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- CSR Committee

### **AUDIT COMMITTEE**

Our Company has constituted an Audit Committee, as per the provisions of Section 177 of the Companies Act, 2013.

The committee presently comprises following three (3) directors. Mr. Jatin Sahni is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

SL. No.	Name of the Director	Status	Nature of Directorship
1.	Mr Jatin Sahni	Chairman	Independent Director
2.	Mr. Arun Kumar Bansal	Member	Independent Director
3.	Mr. Sudarshan Paul Bansal	Member	Managing Director

During the financial year Audit Committee meetings were held on 15<sup>th</sup> April 2019, 20<sup>th</sup> May 2019, 14<sup>th</sup> August 2019, 28<sup>th</sup> August 2019, 14<sup>th</sup> November 2019, 31<sup>st</sup> December 2019, 14<sup>th</sup> February 2020  
Composition of Audit Committee and number of meeting held and number of meetings attended by the

members during the year are given below:

The Composition of Audit Committee and the meetings attended by each member are as under:

Name & Designation	Category	Number of Meetings Attended
Mr Jatin Sahni	Non-Executive - Independent Director	5
Mr. Arun Kumar Bansal	Non-Executive - Independent Director	7
Mr. Sudarshan Paul Bansal	Executive Director	7

#### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub section (3) of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up there on.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.
18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
20. Mandatorily reviews the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
21. Review the Financial Statements of its Subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary company, if any.
23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document. In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders relationship Committee to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Mr. Arun Kumar Bansal is the Chairman of the Committee. Ms.Neha, Company Secretary of the company is the Secretary of the Stakeholders Relationship Committee.

SL. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Arun Kumar Bansal	Chairman	Independent Director
2.	Mr. Raj Singla	Member	Independent Director
3.	Ms. Sunita Bansal	Member	Whole Time Director
Name & Designation		Category	Number of Meetings Attended
1. Mr. Arun Kumar Bansal		Non-Executive - Independent Director	1
2. Mr.Raj Singla		Non-Executive - Independent Director	1
3.Ms. Sunita Bansal		Executive Director	1

#### Meetings and Attendance during the year

During the financial year one meetings of Stakeholders Relationship Committee were held on 14.11.2019

**Compliant Status**

Number of complaints/requests received from the shareholders during the financial year 2019-20 and the number of pending complaints is given below:

Complaint received during the year 2019-2020	NIL
Complaint pending as on 31/03/2020	NIL
Number of pending shares transfer as on 31/03/2020	NIL

The Stakeholders' Relationship Committee's composition and the terms of reference meet with requirements Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

**Role of Committee**

The Committee of our Board looks into:

1. The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
2. Matters related to share transfer, issue of duplicate share certificate, dematerializations.
3. Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

**NOMINATION AND REMUNERATION COMMITTEE**

Our Company has constituted a nomination and remuneration committee ("*Nomination and Remuneration Committee*"). The committee currently comprises of three (3) Directors. Mr. Arun Kumar Bansal is the Chairman of the Nomination and remuneration committee.

SL. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Arun Kumar Bansal	Chairman	Independent Director
2.	Mr. Jatin Sahni	Member	Independent Director
3.	Mr. Siddharth Bansal	Member	Non-Executive Director

Total no of meeting held during the year was 4 .The Composition of Nomination and Remuneration Committee Audit Committee and the meetings attended by each member are as under:

Name & Designation	Category	Number of Meetings Attended
1. Mr. Arun Kumar Bansal	Non-Executive - Independent Director	4
2. Mr. Jatin Sahni	Non-Executive - Independent Director	4
3. Mr. Siddharth Bansal	Executive Director	4

The terms of reference of the committee are as follows:

1. The committee recommends to the board the compensation terms of the executive directors.
2. The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
3. The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
4. Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.

5. Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
6. Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
7. Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

### CSR Committee

The CSR Policy sets out Partap Industries Limited commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Our Company has constituted a Corporate Social Responsibility committee ("CSR Committee "). The committee currently comprises of three (3) Directors. Mr. Jatin Sahnii is the Chairman of the Nomination and remuneration committee. Total no of CSR meeting held was 5 during the year.

SL. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Jatin Sahnii	Chairman	Independent Director
2.	Mr. Arun Kumar Bansal	Member	Independent Director
3.	Ms. Sunita Bansal	Member	Non-Executive Director

The Composition of CSR Committee attended by each member are as under:

Name & Designation	Category	Number of Meetings Attended
Mr. Jatin Sahnii	Non-Executive - Independent Director	4
Mr. Arun Kumar Bansal	Non-Executive - Independent Director	5
Ms. Sunita Bansal	Executive Director	5

**5. GENERAL BODY MEETINGS****i. General Meetings****a) Annual General Meeting:**

The Details of the last three Annual General Meetings held by the company are as under:

Financial Year	Location	Time	Date	Special Resolution
2018-19	Village Beoprur, Distt.- Patiala, Tehsil Rajpura- 147401	11.30 AM	30.09.2019	Nil
2017-18	Village Beoprur, Distt.- Patiala, Tehsil Rajpura- 147401	11.30 AM	29.09.2018	Nil
2016-17	Village Beoprur, Distt.- Patiala, Tehsil Rajpura- 147401	11.30 AM	30.09.2017	Nil

**b) Extraordinary general meeting:**

No extraordinary general meeting of the members was held during the year 2019-20

**ii) Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern:**

During the year under review, no special resolution has been passed through the exercise of postal ballot.

**6. DISCLOSURES**

During the year ended 31st March, 2020, we would like to disclose that

a. There was no materially significant related party transaction i.e. transactions of the company of material nature, with its directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The board has approved a policy for related party transactions which has been uploaded on the Company's website.

b. No penalties/strictures have been imposed on the Company by the Stock Exchange / SEBI / Statutory Authorities on any matter related to Capital markets during the last three years.

c. The company in compliance with Listing Agreement and Provision of Companies Act, 2013 have formulated Whistle Blower Policy which enables Directors and employees to report their genuine concerns. The mechanism provides for adequate safeguards against the victimization of persons who use this mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. No person has been denied access to the Chairman of the Audit Committee.

d. The Company is in full compliance with the mandatory requirements as contained in Regulations 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. The Company has not adopted any non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, except formulation of 'Whistle Blower Policy' which is mandatory as per Companies Act, 2013.

**7. MEANS OF COMMUNICATION**

The Company has submitted its Quarterly, Half Yearly and Yearly Financial Results to the Stock Exchange soon after its approval by the Board and published the same in two newspapers circulating in the state in which registered office of the Company is situated. The results are also displayed on the website of the company at [www.partapdenim.com](http://www.partapdenim.com). No presentations were made to the institutional investors or analysts during the period under review.

**8.SUBSIDIARY COMPANY**

Sudarshan Auto Industries Limited is subsidiary of Partap Industries Limited. Silent Features of the Company as explained under AOC-1 . Financial Results of the Subsidiary are Consolidated with the results of the holding company.

**9. GENERAL SHAREHOLDER INFORMATION****1. Annual General Meeting:**

Date : 30th September, 2020  
 Time : 11:30 AM  
 Venue : Village Beoprur, Distt.-Patiala, Tehsil Rajpura-147401

**2. .Financial Calendar for 2019-20 to approve quarterly/annual financial results:**

Quarter ended 30th June, 2019	On or before 14th August, 2019
Quarter ended 30th September, 2019	On or before 14th November, 2019
Quarter ended 31st December, 219	On or before 14th February, 2020
Quarter ended 31st March, 2020	On or before 28 <sup>th</sup> July , 2020

3. Date of Book Closure:  
 As mentioned in the notice of AGM to be held on 30th September, 2020
4. Dividend payment Date:  
 N. A.

**5. Listing on Stock Exchange:**

Metropolitan Stock Exchange of India Ltd. (MSEI)  
 Vibgyor Towers, 4th floor, Plot No C 62, G - Block,  
 Opp. Trident Hotel, Bandra Kurla Complex,  
 Bandra (E), Mumbai – 400 098, India

The Company has paid Listing Fees in respect of its listed equity shares to the Stock Exchanges.

6. Stock Code:  
 MSEI: PARTAPIND

**7. ISIN :**

INE480401016

**8. Market Price Data during the last financial year:**

Company's equity shares are listed on Metropolitan Stock Exchange of India Ltd. (MSEI) In January 2019. The Trading platform of MSEI is non operational, hence, Market Price Data is not applicable

**9. Registrar and Share Transfer Agents Name and Address :**

BEETAL Financial & Computer Services Pvt. Ltd(CIN:U67120DL1993PTC052486)BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind LSC, New Delhi- 110062

**10. Share Transfer System :**

Presently, the share transfers which are received in physical forms are processed and the certificates returned within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respect. The Company has been offering as per SEBI guidelines the facilities of transfer cum demat. Under the system, after the share transfer is effected, an option letter is sent to the transferee indicating the



details of transfer and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. All transfers received are processed and approved by the Stakeholders Relationship Committee, which considers transfers and other related matter. The Stakeholders Relationship Committee, of the Company meets as often as required. The Company has appointed BEETAL Financial & Computer Services Pvt. Ltd(CIN:U67120DL1993PTC052486)BEETAL HOUSE, 3rd Floor, 99, Madangir, Behind LSC, New Delhi- 110062as “Registrar and Share Transfer Agent” as per SEBI directives to have common Registrar for Physical as well as Electronic Registrar.

#### 11. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are available for dematerialization on the Depositories viz Central Depository Services (India) Limited (CDSL) . Shares of the company are compulsorily to be delivered in the demat form on Stock Exchange by all investors. As on 31st March, 2020 about 67% of the issued capital have already been dematerialized. Shares of the company are listed at 'Metropolitan Stock Exchange of India' and not being trading regularly. Demat ISIN number of the Equity Share of the Company is INE480401016. Those shareholders whose shares are still held in physical form are requested to dematerialize the same at the earliest. Thus investor can exercise dematerialization through a recognized Depository Participant (DP) who is connected to CDSL.

#### 12. .Distribution of Shareholding as on 31st March, 2020:

No. of Shares	Shareholders		Shares	
	Numbers	%	Numbers	%
Upto 5000	444	74.49	66750	2.08
5001 to 10000	18	3.02	12450	0.39
10001 to 20000	74	12.41	111000	3.47
20001 to 30000	3	0.5	7200	0.22
30001 to 40000	5	0.83	18150	0.57
40001 to 50000	8	1.34	35850	1.12
50001 to 100000	16	2.68	116400	3.63
100001 and above	28	4.69	2834550	88.51

#### 13. Dematerialization of Shares and liquidity:

Sr. no.	Shareholders	Total No of Shareholders	Total no. of Shares	Number of shares held in dematerialized form
(A)	Shareholding of Promoter and Promoter Group			
1	Indian	4	2114475	2114475
2	Foreign			
Total Shareholding of Promoter and Promoter Group		4	2114475	2114475
(B)	Public Shareholding			
	Institutions			
	Non-Institutions			
	a) Bodies Corporate	1	274500	0
	b) Individual (upto Rs 2 lac)	585	608175	0
	c) Individual (excess Rs 2 lac)	6	205200	0
Total Public Shareholding		592	1087875	0
Total (A) +(B)		596	3202350	2114475

14. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**15. PERMANENT ACCOUNT NUMBER (PAN) FOR TRANSFER OF SHARES IN PHYSICAL FORM MANDATORY**

SEBI has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of share transfer of shares.

**16. NOMINATION**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination form can be obtained from the Company's Registrar and Share Transfer Agent. Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business rules applicable to NSDL and CDSL.

**17. MSEI CORPORATE COMPLIANCE & LISTING CENTRE (THE 'MYLISTING')**

MSEI MYListing Centre is a web-based application designed for corporate. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Media Releases, Audited/Un-audited Financial Results, Reconciliation of Share Capital Audit Report, Announcements and Intimations etc. are also filed electronically on the Listing Centre

**18. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Reconciliation of Share Capital Audit Report of the company in terms of SEBI circular no. D & CC/ FITTC/CIR-16/2002, reconciling the total shares held in the depositories, viz CDSL and in Physical form with the total issued/paid-up capital of the company submitted to the stock exchanges every quarter.

A qualified practicing Chartered Accountant carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with Central Depository Services India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with CDSL

**19. CEO AND CFO CERTIFICATIONS**

The Chief Financial Officer of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The CFO certification of the financial statements for the year under review is published in this report.

**20. COMPLIANCE CERTIFICATE OF THE AUDITORS**

Certificate from the Auditors of the Company, M/s Sunit Gupta & Associates , Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

**21. COMPLIANCE CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

The Certificate of Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed as a part of the report.

## **22. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has instituted a comprehensive code of conduct for its directors, management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the company can trade in the shares of the company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

## **23. CODE OF CONDUCT**

The Company has adopted a Code of Conduct for Board Members and Senior Management Executives and the same has been amended from time to time in view of the amendments to the Acts/Regulations. The same is applicable to all Directors and Senior Management Executives of the Company in the grade above General Managers (Senior Management Executives). The Code of Conduct for Board Members and Senior Management has been posted on the website of the Company.

## **24. INSIDER TRADING CODE**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations). The Code is applicable to Promoter, Member of Promoter's Group, all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer monitors adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. [www.partapdenim.com](http://www.partapdenim.com).

## **25. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism (Whistle Blower) Policy in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism shall provide adequate safeguards against victimization of Director(s)/Employee(s), who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of establishment of the vigil mechanism disclosed by the Company on its website.

## **26. DECLARATION UNDER CODE OF CONDUCT**

As required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all the Board members and senior management personnel have complied with code of conduct of the Company for the financial year ended on 31st March, 2020.

## **27. . Plant Location:**

Partap Industries Limited, Village Beoprur, Distt.-Patiala, Tehsil Rajpura-147401

## **28. . Address for correspondence:**

Partap Industries Limited Village Beoprur, Distt.-Patiala, Tehsil Rajpura-147401

Email: [partaplisting2017@gmail.com](mailto:partaplisting2017@gmail.com)

Website: [www.partapdenim.com](http://www.partapdenim.com)

**CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of  
Partap Industries Limited

I have examined the compliance of conditions of Corporate Governance by Partap Industries Limited ("the Company") for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015/Listing Agreements, to the extent applicable to the Company during the year under report.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For Sunit Gupta & Associates  
Chartered Accountants  
FRN-014237N

CA. Sunit Gupta  
Partner  
M.No. 091453  
UDIN:20091453AAAAGU3222  
Date:28.08.2020

**DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2020.

Place: Rajpura  
Date: 28<sup>th</sup> August, 2020

For Partap Industries Limited

Sudarshan Paul Bansal  
(Managing Director)  
DIN 00178378

**MANAGING DIRECTOR (MD) AND  
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

**[Issued in accordance with the provisions of Regulation 17(8) of SEBI (LODR) Regulations, 2015]**

To the Board of Directors of Partap Industries Limited  
Dear Sirs,

Sub. MG / CFO Certificate

We, Mr. Sudarshan Paul Bansal , Managing Director and Mr. Gautam Bansal , Chief Financial Officer of M/s. Partap Industries Industries Limited, to the best of our knowledge and belief, certify that :

(a) We have reviewed the financial statements, and the cash flow statement of Partap Industries Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to take for rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that:

(i) there are no significant changes in internal control over financial reporting during the year;

(ii) there are no significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and

(iii) there are no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Rajpura

Dated: 28.08.2020

**For Partap Industries Limited**

**Mr. Gautam Bansal**  
Chief Financial officer

**Mr. Sudarshan Paul Bansal**  
Managing Director

ANNEXURE "A" TO THE DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**INDIAN ECONOMY**

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. In addition, continued stress in the banking sector, especially non-banking financial companies (NBFCs), weighed heavily on system credit growth. The central government announced a slew of counter-cyclical measures with the Reserve Bank of India (RBI) staying largely accommodative in its monetary policy stance. The RBI halted the rate cut cycle in December 2019, due to increasing upward pressure on inflation expectations.

Government has initiated various measures to boost the economy including direct benefit transfer, increased allocations to key sectors like infrastructure, agriculture, MSMEs etc. Reserve Bank of India has cut repo rate by 185 bps on a cumulative basis this year to support the aggregate demand and private investment as well as ease liquidity given the COVID-19 situation.

The slew of policy measures and announcements are welcome and signal the Government's strong commitment to arrest and reverse the slowdown. The measures announced / implemented in 2019-20 include reduction in corporate tax rate; policy initiatives for development of textiles & handicrafts and electric vehicles; outreach programme for growth, expansion and facilitation of micro, small and medium enterprises; incentives for start-ups in India; recapitalization of public sector banks, relaxation of ECB guidelines for affordable housing; and streamlining of many labour laws at the central government level. Government has also taken various measures from time to time to stabilize prices of essential food items through, inter-alia, trade and fiscal policy instruments like customs duty, minimum export price, export restrictions, imposition of stock limits besides advising States for effective action against hoarders & black marketers to regulate domestic availability and moderate prices.

Ease of Doing Business 2020 Report, has among others, contributed to the increase in global confidence in Indian economy. India has emerged as an important player in the world on the back of high GDP growth and announcement/implementation of critical measures in the current year and last few years. Global confidence in the Indian economy improved as reflected in growing inflows of net Foreign Direct Investment (FDI) and an all-time high accumulation of foreign exchange reserves of US\$ 457.5 billion as in end December, 2019. India moving up by 14 positions to 63rd rank in 2019 World Bank's report.

**IMPACT of COVID -19 PANDEMIC**

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operation due to lock downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown. While the world is foreseeing significant de-growth in most economies, India is expected to be relatively resilient, even as the pandemic makes its impact on the country's economy. The overall long term macroeconomic conditions in India are expected to improve considering the stable Government at the Centre.

**Indian Textile Industry \***

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while

the capital-intensive sophisticated mills sector on the other end. The decentralised power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

### **Market Size**

India's textiles industry contributed seven per cent of the industry output (in value terms) in FY19. It contributed two per cent to the GDP of India and employed more than 45 million people in FY19. The sector contributed 15 per cent to India's export earnings in FY19. Textiles industry has around 4.5 Crore employed workers including 35.22 lakh handloom workers across the country. The domestic textiles and apparel market stood at an estimated US\$ 100 billion in FY19. The production of raw cotton in India is estimated to have reached 36.04 million bales in FY20. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 1.60 MT in FY20 (till January 2020), while that for yarn, the production stood at 4,762 million kgs during same period.

### **Investment**

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.44 billion from April 2000 to March 2020.

### **Government Initiatives**

Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the sector under the automatic route.

### **Achievements**

Following are the achievements of the Government in the past four years:

- As of 2019, 348 technical textiles products were developed according to Bureau of Indian Standards (BIS).
- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016. 381 new block level clusters were sanctioned.

Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.

- Employment increased to 45 million in FY19 from 8.03 in FY15.

### **Road Ahead**

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

(\*source : Indian Brand Equity Foundation, <https://www.ibef.org/industry/textiles.aspx>)

### **INDIAN MANMADE FIBRE TEXTILE INDUSTRY**

Indian Manmade fibre (MMF) textile industry is vibrant and growing. Today, India produces almost all the types of synthetic fibres, be it polyester, viscose, nylon or acrylic and hence we are at the advantage compared to any other nations across the world. Currently, we are the 2nd largest producer of both polyester and viscose globally. MMF textile industry in India is self reliant across the value chain right from raw materials to the garmenting. Our fabrics are international standard and known for their excellent workmanship, colours, comforts, durability and other technical properties. Due to heavy investments in world-class manufacturing plants, continuous innovation, untiring entrepreneurship, new product mix and strategic market expansion, India is soon going to cloth the entire world and set to take centre stage in the global arena. (Source : Indian Man Made Fibre Textile Industry : 2018-19)



**INDUSTRY STRUCTURE AND DEVELOPMENTS & OPPORTUNITIES AND THREATS**

The textile industry is one of the largest organized industries in the country in terms of employment and number of units. Besides, there are a large number of supplementary industries dependent on this sector, such as those manufacturing machinery, accessories, stores, ancillaries, dyes and chemicals. The textile industry is one of the oldest and the most widespread industries in the country and it is mainly engaged in the activities of yarn production, weaving, processing as well as embroidery. This industry has grown considerably over time. As per recent figures, textile production has grown in the last 5 years. One of the main reasons behind the growth of the textile industry is the people's ability to adapt to the latest trends and strong entrepreneurial skills of the industrialists. The Denim fabric & terry towel market is huge, unorganized and growing at an incredible rate. The Board is positive about industry outlook and endeavors to continuously look for opportunities and identify and mitigate any risks involved. The Company wishes to expand in the near future.

The following are the key motives of the Company:

1. Leveraging resources to deliver innovative and successful product portfolio
2. To bring in efficiency through consistent and continuous improvement process throughout all the levels in the Organization
3. To develop a Customer Centric approach
4. To develop a Strong Marketing Network

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate internal control systems commensurate with its size and nature of business. Conforming to the requirements of the regulatory authorities such as the SEBI and consistent with the requirements of the Listing Agreements with the Stock Exchanges, the company has framed an elaborate system of control process designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. The management information system forms an effective and sound tool for monitoring and controlling all operating parameters. Regular internal audits by the Audit Committee ensure that responsibilities are executed effectively and the adequate internal control systems for the business processes are adhered to in all required respect.

**ENERGY CONSERVATION**

The Conservation of energy in all the possible areas is undertaken as an important means of achieving cost reduction. Saving in electricity, fuel and power consumption receive due attention of the management on a continuous basis. Various measures have been taken to reduce fuel consumption, reducing leakages, improving power factor optimizing process controls etc. resulting in energy savings.

**OPPORTUNITIES AND STRENGTH**

We believe Denim Fabric & Terry towel is the future demand,, finding varied applications across home furnishing, apparel industry, sportswear market, . Global economic recovery is also accelerating coupled with rising per capita income, expanding middle class, and continuing urbanization witnessing high growth opportunities. Rural market is also playing important role in the economy which offers a major opportunity growth in the Terry Towel Industries. The company is continuing putting its thrust on re-engineering of its existing operations and carry on balancing investment in modification of existing equipment's and some fresh investments in energy conservation schemes and sourcing of cheap electricity power along with cost optimisation.

**THREAT, RISKS AND CONCERNS**

The objective of risk management frame work is to identify events that may affect the company, and manage risk order to provide reasonable assurance regarding achieving the company's objective. The company is operating in an environment that is becoming more and more competitive. The company seeks to ensure that the risks if undertakes are commensurate with returns. Successful risk management implies not avoidance of risk, but anticipation of the same, and formulation and implementation of relevant mitigation strategies.

**a) RISK AGAINST FIRE, FLOOD AND ACCIDENTS**

Risk against fire, flood, accident, health related problems and accidents of workforce are common risks attached to the working of any plant/company. Management has taken reasonable steps to counter the risk. The company has taken Comprehensive All Risk Insurance Policy, which covers company's assets against all risks. Accidents due to human failure are being tackled through the continuous training to our technical and other staffs and through regular monitoring and supervision.

**b) ECONOMIC RISK**

Domestic sales contribute to a major part of the revenue of the company so, the factors that may adversely affect the Indian economy and in turn company's business includes rising in interest rate, depreciation of rupees, inflation, change in tax structure, fiscal and monetary policies, scarcity of credits, global trade slowdown etc. India is witnessing improving macroeconomic fundamentals—moderating inflation, stabilising currency and improving consumer demand.

**c) COMPETITION RISK**

We face competition from existing players and potential entrants in the Indian textile industry. Our company is in medium size as compared to the market leaders like Reliance Industries Limited. Domestic production is dominated by few organized players who have integrated facilities and large economies of scale and the unorganized sector is virtually absent.

**d) STRATEGIC RISK**

Strategic plans for the company's business take in to account likely risks in the industrial environment from competition, changing customer needs, obsolescence and technological changes. Obsolescence of technology may affect the production process. The annual plans that are drawn up consider the risks that are likely to impact the company's objectives in that year and the counter-measures put in place. Project execution is largely dependent upon timely delivery by the equipment suppliers, project management skills, civil works etc. Any delay in project implementation will impact revenue and profit for that period. The company strives to adopt a 'de-risking' strategy in its operation while making growth investments. Appropriate structures have been put in place to proactively monitor and manage risk. The company procures its raw material locally driving costs down. An alternative sourcing of raw materials and stores spares has helped the company to optimise cost of raw materials.

**e) MARKET RISK**

Market risks relate to the possibility that the fair value or future cash flows of a financial instrument could fluctuate due to variations in market prices. Market risks include currency risk and interest-rate risk. The volatility witnessed in the global markets has reiterated the need for robust forex management systems and prudent investment practices. All forex exposures are hedged immediately upon the occurrence of an exposure. The company uses forward contracts to hedge both its imports and exports and continues to maintain the philosophy of protecting cash flows. Exports of the company also act as a natural hedge against adverse foreign currency fluctuation.

**f) TECHNOLOGY RISK**

Obsolescence of technology may affect the production process and technical support from original equipment manufacturers. The Company monitors such issues and makes investment in technology upgradation on regular basis to ensure stability. This, in turn, helps the Company to stay at par with the global practices. The Company also does process re-engineering and improvisation to enhance efficiency and also helps in optimisation. The company has restrained its position in the industry due to proactive planning, efficient use of resources, capitalising on emerging opportunity, striving on cutting edge technology and re-engineering of its existing operations by adding

more value added and speciality products. The company has a strong technology backup helps in maintaining the quality. Partap 's Risk Management Framework is designed to avoid incidents and maximise business outcomes by enabling the management to:

- Understand the risk environment and assess the potential exposure.
- Manage overall potential exposure and determine risk mitigation strategies.
- Monitor the effectiveness of the risk management.
- Enhance controls and strict inventory management.
- Report across the management chain all the way up to the Board on a periodic basis.
- Offering value added products for better realizations and focusing on high margin yarns.

## **HUMAN RESOURCES**

The Company has few permanent employees who focus on realizing the goals and objectives of the Company. All the appointments of the Board members and Key Managerial Personnel were in accordance with the Company's Nomination and remuneration policy. The company during the year under review has also taken contractual service to maintain its records & documents.

**CAUTIONARY STATEMENT** The statements in the report may be "forward looking statements" within the meaning of applicable laws or regulations. These statements are made on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a significant difference to the Company's operations availability and prices of goods procured, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions affecting demand/supplies, and other environmental factors over which the Company does not have any control. The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and applicable Accounting Standards.

Place: Rajpura  
Date: 28<sup>th</sup> August, 2020

Sudarshan Paul Bansal  
(Managing Director)  
DIN 00178378

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
PARTAP INDUSTRIES LIMITED.**

### **I. Report on the Audit of the Standalone Financial Statements**

#### **1. Opinion**

- A. We have audited the accompanying Standalone Financial Statements of PARTAP INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and 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 Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

#### **2. Basis for Opinion**

We conducted our audit of the Standalone 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 Standalone 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 Standalone Financial Statements.

#### **3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period.

These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Emphasis of Matter**

We would like to draw attention towards the economic and social consequences/ disruption, the entity is facing as a result of COVID-19 which is impacting supply chains/consumer demand/ financial markets/ commodity prices/ personnel available for work and being or being able to access office locations. We have assessed the impact of current situation and our opinion is not modified in respect of this matter.

#### **4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

- A. 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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- B. 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 standalone 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.

#### **5. Management's Responsibility for the Standalone Financial Statements**

- A. 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Standalone 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.

## **6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

- A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider 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 Standalone Financial Statements.
- D. 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.
- E. 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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

## **II. 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 including Other Comprehensive Income, Statement of Changes in Equity 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 standalone financial statements comply with the Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 with reference to financial statements.
- 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 for which there were any material foreseeable losses; and
  - iii) There is no amount that is required to be transferred, to the Investor Education and Protection Fund by the Company.
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 Sunit Gupta & Associates**  
**Chartered Accountants**  
**FRN-014237N**

**Date: 03.07.2020**  
**Place: Ambala City**

**CA. Sunit Gupta**  
**Partner**  
**M.No. 091453**  
**UDIN-20091453AAAAFN6586**



## **ANNEXURE –“A”**

### **TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1(e) under 'Report on other legal and regulatory requirements of our report of even date)**

#### **Report on the Internal Financial Controls 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 **PARTAP INDUSTRIES LIMITED**. ("The Company") as of 31 March 2020 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 Company's management 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 ('ICAI'). 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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.

### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent 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, 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 31 March 2020, 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 Sunit Gupta & Associates  
Chartered Accountants  
FRN-014237N**

**Date: 03.07.2020  
Place: Ambala City**

**CA. Sunit Gupta  
Partner  
M.No. 091453**

**ANNEXURE 'B'**  
**TO THE INDEPENDENT AUDITORS' REPORT**

**The Annexure referred to in our report to the members of PARTAP INDUSTRIES LIMITED for the year ended 31<sup>st</sup> March, 2020.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
  - (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
  - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.

- (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
- 4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- 5. The company has not accepted any deposits.
- 6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- 7
  - (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
  - (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
- 8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- 9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
- 10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
- 11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sunit Gupta & Associates**

**Chartered Accountants**

**FRN-014237N**

**CA. Sunit Gupta**

**Partner**

**Date: 03.07.2020**

**Place: Ambala City**

**M.No. 091453**

**PARTAP INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2020**

	PARTICULARS	Note No.	As at 31.03.2020	As at 31.03.2019
I	<b>ASSETS</b>			
	<b>1. NON CURRENT ASSETS</b>			
	a. Property, Plant & Equipment	5	1,02,34,76,652.00	1,16,08,17,214.00
	b. Capital Work in Progress	6	5,79,698.00	-
	c. Investment Property		-	-
	d. Intangible Assets		-	-
	e. Financial Assets			
	Investments	7a	25,92,90,000.00	25,94,90,000.00
	Loans	7b	27,37,10,403.00	41,75,88,885.00
	Other Financial Assets	7c	3,41,78,349.00	3,41,78,349.00
	f. Deferred Tax Assets (Net)	8	21,79,680.00	18,30,086.00
	g. Other Non Current Assets		-	-
	<b>Total Non Current Assets</b>		<b>1,59,34,14,782.00</b>	<b>1,87,39,04,534.00</b>
	<b>2. CURRENT ASSETS</b>			
	a. Inventories	9	25,27,36,406.00	17,12,95,770.00
	b. Financial Assets			
	Investments		-	-
	Trade Receivables	7d	40,61,44,592.00	28,67,21,530.00
	Cash & Cash Equivalents	7e	2,12,26,081.00	2,16,74,231.00
	Loans	7b	2,25,70,544.00	1,16,53,231.00
	c. Current Tax Assets (Net)	15	22,14,000.00	1,61,02,476.00
	d. Other Current Assets	10	8,30,10,278.00	8,50,17,314.00
	e. Assets Classified as held for sale		-	-
	<b>Total Current Assets</b>		<b>78,79,01,901.00</b>	<b>59,24,64,552.00</b>
	<b>TOTAL ASSETS</b>		<b>2,38,13,16,683.00</b>	<b>2,46,63,69,086.00</b>
II	<b>EQUITY &amp; LIABILITIES</b>			
	<b>1. EQUITY</b>			
	a. Equity Share Capital	11	3,20,23,500.00	3,20,23,500.00
	b. Other Equity	12	1,38,28,36,299.00	1,32,84,04,315.00
	<b>Total Equity</b>		<b>1,41,48,59,799.00</b>	<b>1,36,04,27,815.00</b>
	<b>2. LIABILITIES</b>			
	<b>A. NON CURRENT LIABILITIES</b>			
	a. Financial Liabilities			
	Borrowings	13a	42,67,57,394.00	58,26,15,289.00
	Other Financial Liabilities		-	-
	b. Long Term Provisions	14a	76,90,285.00	51,06,524.00
	c. Deferred Tax Liabilities (Net)	8	4,09,21,243.00	4,04,59,979.00

d. Other Non Current Liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>47,53,68,922.00</b>	<b>62,81,81,792.00</b>
<b>B. CURRENT LIABILITIES</b>			
a. Financial Liabilities			
Borrowings	13a	19,55,54,709.00	27,44,18,031.00
Trade Payables			
-Total outstanding dues of Micro Enterprises & Small Enterprises			
-Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	13b	15,27,12,510.00	9,71,00,709.00
Other Financial Liabilities	13c	10,58,65,055.00	6,45,99,627.00
b. Short Term Provisions	14b	2,71,39,397.00	2,57,29,752.00
c. Current Tax Liabilities (Net)	15	-	-
d. Other Current Liabilities	16	98,16,291.00	1,59,11,360.00
e. Liabilities directly associated with assets classsified as held for sale		-	-
<b>Total Current Liabilities</b>		<b>49,10,87,962.00</b>	<b>47,77,59,479.00</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,38,13,16,683.00</b>	<b>2,46,63,69,086.00</b>
Summary of Significant Accounting Policies	1 to 4		
The accompanying notes are an integral part of the financial statements			
		(0.00)	(0.00)

For and on behalf of board of  
Partap Industries Limited

Director  
(S.P. Bansal)  
DIN-00178378

Director  
(Gautam Bansal)  
DIN-02275574

FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

PLACE: AMBALA CITY  
DATE: 03.07.2020

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

PARTAP INDUSTRIES LIMITED  
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020

	PARTICULARS	Note no.	For the year ended 31.03.2020	For the year ended 31.03.2019
	<b>Income</b>			
I	Revenue from Operations	17	3,43,20,27,035.00	2,75,76,37,690.00
II	Other Income	18	54,05,716.00	2,92,62,332.00
	<b>Total Income (A)</b>		<b>3,43,74,32,751.00</b>	<b>2,78,69,00,022.00</b>
	<b>EXPENSES</b>			
III	Cost of Raw Materials Consumed	19	2,49,05,58,043.00	1,90,58,61,054.00
IV	Purchase of Stock in Trade		-	-
V	Changes in Inventory of Finished Goods, Raw Materials & Stock-in-Trade	20	(4,49,98,615.00)	6,70,03,267.00
VI	Employee Benefit Expenses	21	20,06,14,179.00	14,01,60,416.00
VII	Financial Costs	22	7,52,54,526.00	4,13,83,639.00
VIII	Depreciation and Amortization	5	16,89,26,268.00	8,50,25,295.00
IX	Other Expenses	23	47,67,76,762.00	42,87,27,101.00
	<b>Total Expenses (B)</b>		<b>3,36,71,31,163.00</b>	<b>2,66,81,60,772.00</b>
IX	<b>Profit Before Tax &amp; Exceptional Items ( A-B=C )</b>		<b>7,03,01,588.00</b>	<b>11,87,39,250.00</b>
X	<b>Exceptional Items (D)</b>	24	1,75,044.00	-
XI	<b>Profite Before Tax ( C-D=E )</b>		<b>7,01,26,544.00</b>	<b>11,87,39,250.00</b>
	<b>TAX EXPENSES</b>			
XII	Current Tax		1,34,00,000.00	1,63,39,828.00
XIII	Deferred Tax	8	1,11,670.00	2,92,55,673.30
	<b>Total Tax Expenses (F)</b>		<b>1,35,11,670.00</b>	<b>4,55,95,501.30</b>
XIV	<b>Profit for the Period ( E-F=G )</b>		<b>5,66,14,874.00</b>	<b>7,31,43,748.70</b>
	<b>OTHER COMPREHENSIVE INCOME</b>	25		
XV	Items that will not be reclassified subsequently to Profit & Loss Account		(5,19,891.00)	2,86,780.00
XVI	Income Tax Relating to Items that will not be reclassified to Profit & Loss Account		1,44,634.00	(1,00,212.40)
	<b>Total Other Comprehensive Income (H)</b>		<b>(3,75,257.00)</b>	<b>1,86,567.60</b>



XVII	Total Comprehensive Income for the period (G+H)		5,62,39,617.00	7,33,30,316.30
XVIII	Earning Per Equity Share			
	Equity Share of Par Value Rs.10 each			
	Basic		17.56	22.90
	Diluted		17.56	22.90
	Summary of Significant Accounting Policies	1 to 4		
	The accompanying notes are an integral part of the financial statements			

For and on behalf of board of  
Partap Industries Limited

Director  
(S.P. Bansal)  
DIN-00178378

Director  
(Gautam Bansal)  
DIN-02275574

FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

PLACE: AMBALA CITY  
DATE: 03.07.2020

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

**PRATAP INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

**A. EQUITY SHARE CAPITAL**

**1 FOR THE YEAR ENDED 31 MARCH 2020**

BALANCE AS AT 01 APRIL 2019	3,20,23,500.00
CHANGES DURING THE YEAR	-
BALANCE AS AT 31 MARCH 2020	3,20,23,500.00

**2 FOR THE YEAR ENDED 31 MARCH 2019**

BALANCE AS AT 01 APRIL 2018	3,20,23,500.00
CHANGES DURING THE YEAR	-
BALANCE AS AT 31 MARCH 2019	3,20,23,500.00

**B. OTHER EQUITY**

**1 FOR THE YEAR ENDED 31 MARCH 2020**

PARTICULARS	RESERVE & SURPLUS				TOTAL
	CAPITAL RESERVE	SECURITIES PREMIUM	GENERAL RESERVE	RETAINED EARNING	
BALANCE AS ON 01 APRIL 2019	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,28,96,45,792.83	1,32,84,04,314.83
PROFIT FOR THE YEAR	-	-	-	5,66,14,874.00	5,66,14,874.00
CHANGE DUE TO ACCOUNTING POLICY	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	(3,75,257.00)	(3,75,257.00)
Tax Adjustments	-	-	-	(18,07,632.65)	(18,07,632.65)
TRANSFER TO RETAINED EARNING	-	-	-	-	-
ANY OTHER CHANGES	-	-	-	-	-
BALANCE AS ON 31 MARCH 2020	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,34,40,77,777.18	1,38,28,36,299.18

**2 FOR THE YEAR ENDED 31 MARCH 2019**

PARTICULARS	RESERVE & SURPLUS				TOTAL
	CAPITAL RESERVE	SECURITIES PREMIUM	GENERAL RESERVE	RETAINED EARNING	
BALANCE AS ON 01 APRIL 2018	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,21,42,23,424.53	1,25,29,81,946.53
PROFIT FOR THE YEAR	-	-	-	7,31,43,748.70	7,31,43,748.70
CHANGE IN ACCOUNTING POLICY	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	1,86,567.60	1,86,567.60
Tax Adjustments	-	-	-	20,92,052.00	20,92,052.00
Adjustments for Gratuity Provision	-	-	-	-	-
ANY OTHER CHANGES	-	-	-	-	-
BALANCE AS ON 31 MARCH 2019	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,28,96,45,792.83	1,32,84,04,314.83

FOR SUNIT GUPTA & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN: 014237N

Director  
 (S.P. Bansal)  
 DIN-00178378

Director  
 (Gautam Bansal)  
 DIN-02275574

CA. SUNIT GUPTA  
 PARTNER  
 M NO. : 091453

**PRATAP INDUSTRIES LIMITED**  
**STATEMENT OF CASH FLOWS for the year ended March 31, 2020**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Operating Activities</b>		
Profit Before taxation	7,01,26,544.00	11,87,39,250.00
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation & Amortization	16,89,26,268.00	8,50,25,295.00
Finance Costs	7,52,54,526.00	4,13,83,639.00
Interest Income	(33,73,007.00)	(26,58,544.00)
Loss on sale of fixed assets	1,75,044.00	-
Gratuity Expenses	20,77,852.00	16,60,867.00
<b>Operating Profit before Working Capital Changes</b>	<b>31,31,87,227.00</b>	<b>24,41,50,507.00</b>
<u>Working Capital Changes</u>		
Inventories	(8,14,40,636.00)	5,21,51,160.00
Trade Receivables	(11,94,23,062.00)	(17,83,48,578.00)
Loans	(1,09,17,313.00)	74,78,531.00
Other Current Assets	20,07,036.00	(5,46,30,679.00)
Current Tax Assets (Net)	1,38,88,476.00	(1,61,02,475.60)
Trade Payables	5,56,11,801.00	76,47,213.00
Other Financial Liabilities	4,12,65,428.00	(1,30,57,001.00)
Current Tax Liabilities (Net)	-	(1,67,06,964.00)
Short Term Provisions	14,09,645.00	46,44,743.00
Other Current Liabilities	(60,95,069.00)	(1,41,97,210.00)
<b>Net Changes from Working Capital</b>	<b>(10,36,93,694.00)</b>	<b>(22,11,21,260.60)</b>
<b>Cash generated from Operations</b>	<b>20,94,93,533.00</b>	<b>2,30,29,246.40</b>
<b>Income Taxes Paid</b>	<b>(1,50,76,981.00)</b>	<b>(1,44,78,661.40)</b>
<b>Net Cash from Operating Activities</b>	<b>19,44,16,552.00</b>	<b>85,50,585.00</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(3,28,40,448.00)	(70,50,56,772.00)
Sale of Fixed Assets	5,00,000.00	12,08,526.00
Long Term Loans & Advances	14,38,78,482.00	12,26,62,103.00
Investments	2,00,000.00	-
Interest Income	33,73,007.00	26,58,544.00
<b>Net Cash flow from investing activities</b>	<b>11,51,11,041.00</b>	<b>(57,85,27,599.00)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Long term Borrowings	(15,59,69,069.00)	44,29,93,851.00
Proceeds from Short term Borrowings	(7,88,63,322.00)	15,74,58,813.00
Interest & Finance Cost Paid	(7,52,54,526.00)	(4,13,83,639.00)
<b>Net Cash flow from financing activities</b>	<b>(31,00,86,917.00)</b>	<b>55,90,69,025.00</b>
<b>D. Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(5,59,324.00)</b>	<b>(1,09,07,989.00)</b>
<b>E. Cash &amp; Cash Equivalent at beginning of the year</b>	<b>2,16,74,231.00</b>	<b>3,25,82,220.00</b>
<b>E. Cash &amp; Cash Equivalent at the end of year</b>	<b>2,11,14,907.00</b>	<b>2,16,74,231.00</b>

**Notes on Cash flow statement**

- 1) Cashflow statement has been prepared as per Ind AS 7
- 2) Direct Taxes paid are treated as arising from operating activities and not separately bifurcated between Investing & Financing Activities
- 3) Cash and Cash equivalents includes cash and Bank balances & bank OD

For and on behalf of board of  
Partap Industries Limited

Director (S.P. Bansal) DIN-00178378	Director (Gautam Bansal) DIN-02275574
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FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

PLACE: AMBALA CITY  
DATE: 03.07.2020

Fixed Assets	Building	Plant & Machinery	Vehicles	Furniture	Land & Land Dev.	Factory Equipment	Computers	Office Equipment	Total
<b>Gross Carrying Value</b>									
Gross Cost as on 1st April 2018 (A)	12,57,75,186.00	1,22,59,86,157.00	3,14,30,634.00	21,88,270.00	5,47,36,367.00	1,07,42,776.00	11,33,936.00	13,61,856.00	1,45,33,55,182.00
Additions:	8,34,82,305.00	60,43,05,905.00	-	6,14,518.00	4,80,59,636.00	3,14,84,923.00	71,418.00	1,62,792.00	76,81,81,497.00
Deductions:	-	12,08,526.00	-	-	-	-	-	-	12,08,526.00
As at 31st March 2019 (B)	20,92,57,491.00	1,82,90,83,536.00	3,14,30,634.00	28,02,788.00	10,27,96,003.00	4,22,27,699.00	12,05,354.00	15,24,648.00	2,22,03,28,153.00
Additions:	46,25,215.00	1,71,81,865.00	-	-	-	1,01,97,355.00	1,59,060.00	97,255.00	3,22,60,750.00
Deductions:	-	8,05,000.00	-	-	-	-	-	-	8,05,000.00
As at 31st March 2020 (C.)	21,38,82,706.00	1,84,54,60,401.00	3,14,30,634.00	28,02,788.00	10,27,96,003.00	5,24,25,054.00	13,64,414.00	16,21,903.00	2,25,17,83,903.00
<b>Accumulated Depreciation and Impairment</b>									
Accumulated Depreciation as on 1st April 2018 (D)	3,22,96,444.00	91,18,58,713.00	2,24,11,991.00	6,64,132.00	-	60,45,645.00	10,05,392.00	2,03,327.00	97,44,85,644.00
Add: Depreciation for the year	48,60,534.00	7,63,01,920.00	23,13,537.00	2,27,602.00	-	11,79,259.00	64,399.00	89,115.00	8,50,36,366.00
Deductions:	-	-	-	-	-	-	11,071.00	-	11,071.00
As at 31st March 2019 (E.)	3,71,56,978.00	98,81,60,633.00	2,47,25,528.00	8,91,734.00	-	72,24,904.00	10,58,720.00	2,92,442.00	1,05,95,10,939.00
Add: Depreciation for the year	66,48,054.00	15,76,01,920.00	15,29,719.00	2,49,751.00	-	32,22,150.00	87,184.00	79,368.00	16,94,18,146.00
Tfrd. To Retained Earnings:			(4,76,695.00)	(7,993.00)			(7,190.00)		(4,91,878.00)
Deductions:	-	(1,29,956.00)	-	-	-	-	-	-	(1,29,956.00)
As at 31st March 2020 (F)	4,38,05,032.00	1,14,56,32,597.00	2,57,78,552.00	11,33,492.00	-	1,04,47,054.00	11,38,714.00	3,71,810.00	1,22,83,07,251.00
<b>Net Carrying Value</b>									
As at 31st March 2020 (C-F)	17,00,77,674.00	69,98,27,804.00	56,52,082.00	16,69,296.00	10,27,96,003.00	4,19,78,000.00	2,25,700.00	12,50,093.00	1,02,34,76,652.00
As at 31st March 2019 (B-D)	17,21,00,513.00	84,09,22,903.00	67,05,106.00	19,11,054.00	10,27,96,003.00	3,50,02,795.00	1,46,634.00	12,32,206.00	1,16,08,17,214.00

**Note no 6 : Capital Work in Progress**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work in Progress - Indapur Unit	5,79,697.60	-
<b>Total</b>	<b>5,79,698.00</b>	<b>-</b>

**Note no 7 : Financial Assets****a. Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current Investments</b>		
<b>Investment in unquoted equity share of subsidiaries</b>		
Sudarshan Auto Industries Pvt. Ltd. (799000 equity shares; Rs 100 each)	7,99,00,000.00	7,99,00,000.00
<b>Investment in 4% redeemable non cumulative preference shares</b>		
Sudarshan Auto Industries Pvt. Ltd. (1200000 preference shares; Rs. 100 each)	12,00,00,000.00	12,00,00,000.00
<b>Investment in equity shares of associate company</b>		
Sudarshan Jeans (P.) Ltd (201900 equity shares; Rs. 100 each)	2,01,90,000.00	2,01,90,000.00
Sudarshan Jeans (P.) Ltd (40000 equity shares; Rs. 980 each)	3,92,00,000.00	3,92,00,000.00
<b>Investments in Mutual funds</b>		
Baroda Pioneer PSU equity fund- Growth	-	2,00,000.00
<b>Total</b>	<b>25,92,90,000.00</b>	<b>25,94,90,000.00</b>

**b. Loans and Advances**

Particulars	As at March 31, 2020	As at March 31, 2018
<b>Non Current Loans</b>		
Loans and advances to related parties		
Considered Good-Unsecured	27,37,10,403.00	41,75,88,885.00
Considered Good-Secured	-	-
Having significant increase in credit risk	-	-
Credit Impaired	-	-
<b>Total</b>	<b>27,37,10,403.00</b>	<b>41,75,88,885.00</b>
<b>Current Loans</b>		
Other Advances	2,25,70,544.00	1,16,53,231.00
<b>Total</b>	<b>2,25,70,544.00</b>	<b>1,16,53,231.00</b>

**c. Other Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Non Current Financial Assets</b>		
Security Deposits	3,41,78,349.00	3,41,78,349.00
<b>Total</b>	<b>3,41,78,349.00</b>	<b>3,41,78,349.00</b>

**d. Trade Receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Current Trade Receivables</u></b>		
Considered Good-Unsecured	40,61,44,592.00	28,67,21,530.00
Considered Good-Secured	-	-
Having significant increase in credit risk	-	-
Credit Impaired	-	-
<b>Total</b>	<b>40,61,44,592.00</b>	<b>28,67,21,530.00</b>

**e. Cash & Cash Equivalent**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Cash &amp; Cash Equivalent</u></b>		
Cash in Hand	10,63,474.00	5,15,210.00
Cash in Bank	2,01,62,607.00	63,12,274.00
Bank Deposits	-	1,48,46,747.00
<b>Total</b>	<b>2,12,26,081.00</b>	<b>2,16,74,231.00</b>

**Note no 9 : Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Inventories at cost</u></b>		
Raw Material	10,42,06,255.00	6,76,84,481.00
Stock in Progress	4,53,44,304.00	2,28,88,883.00
Consumable Stocks	1,16,80,047.00	1,17,59,800.00
<b><u>Inventories at cost or net realizable value whichever is lower</u></b>		
Finished Goods	9,15,05,800.00	6,89,62,606.00
<b>Total</b>	<b>25,27,36,406.00</b>	<b>17,12,95,770.00</b>

**Note no 10 : Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Other Current Assets</u></b>		
Advance to suppliers	7,95,244.00	1,06,38,100.00
Prepaid Expenses	27,77,620.00	11,93,454.00
TUFS Receivables	12,78,002.00	32,68,002.00
GST Refund Receivables	27,34,590.00	4,57,41,197.00
Accrued Interest	22,65,211.00	14,32,541.00
GST Recoverable	4,03,43,422.00	1,81,55,489.00
Reverse Charge Tax Recoverable	-	40,759.00
MSEDCL Security Interest Receivable	20,63,725.00	4,99,867.00
MSEDCL Rate Reduction Benefit Receivable	-	37,70,040.00
Service Tax Receivable	-	2,77,865.00
Duty drawback Receivable	88,298.00	-
Income-tax Refund receivable	67,26,960.00	-
MAT Credit	90,90,459.00	-
Deposits with banks (Margin money)	1,48,46,747.00	-
<b>Total</b>	<b>8,30,10,278.00</b>	<b>8,50,17,314.00</b>

**Note -: CONTINGENT LIABILITIES & COMMITMENTS**

Disclosure pursuant to note no 6 ( T ) of Part I of schedule III to companies Act

Particulars	As at March 31, 2020	As at March 31, 2019
NIL	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note no 8 : Deferred Taxes**

Particulars	Carrying Amount	Tax Base	Taxable Temporary Difference	Deductible Temporary Difference
<b><u>2019-20</u></b>				
Fixed Assets	1,02,34,76,652.00	87,63,83,758.00	14,70,92,894.00	
Provision for Gratuity	78,34,940.00	-		78,34,940.00
<b>Total</b>			14,70,92,894.00	78,34,940.00
Tax Rate	27.820%			
<i>Deferred Tax Liability</i>			4,09,21,243.00	
<i>Deferred Tax Assets</i>				21,79,680.00
<i>Less: Opening Balance</i>			4,04,59,978.89	(18,30,086.12)
<b>Adjustment</b>			4,61,264.11	3,49,593.88
<b><u>2018-19</u></b>				
Fixed Assets	1,16,08,17,214.00	1,04,50,32,018.00	11,57,85,196.00	
Provision for Gratuity	52,37,197.00	-		52,37,197.00
<b>Total</b>			11,57,85,196.00	52,37,197.00
Tax Rate	34.944%			
<i>Deferred Tax Liability</i>			4,04,59,978.89	
<i>Deferred Tax Assets</i>				18,30,086.12
<i>Less: Opening Balance</i>			1,07,11,164.58	(13,36,945.11)
<b>Adjustment</b>			2,97,48,814.31	4,93,141.01
<b><u>2017-18</u></b>				
Fixed Assets	47,88,69,538.00	44,79,19,571.00	3,09,49,967.00	
Provision for Gratuity	38,63,110.00	-		38,63,110.00
<b>Total</b>			3,09,49,967.00	38,63,110.00
Tax Rate	34.608%			
<i>Deferred Tax Liability</i>			1,07,11,164.58	
<i>Deferred Tax Assets</i>				13,36,945.11
<i>Less: Opening Balance</i>			1,60,22,000.00	-
<b>Adjustment</b>			(53,10,835.42)	13,36,945.11

**Note no 11 : Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized share capital</b>		
Equity Share of Rs. 10 each	10,50,00,000.00	10,50,00,000.00
<b>Issued &amp; Subscribed share capital</b>		
Equity Share of Rs. 10 each	5,50,70,000.00	5,50,70,000.00
<b>Paid Up share capital</b>		
Equity Share of Rs. 10 each	3,20,23,500.00	3,20,23,500.00

**\* Disclosure pursuant to Para 6D(l)(d) of Division II of Schedule-III to Companies Act,2013****Reconciliation of share outstanding at the beginning and end of reporting year**

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
At the beginning of year	32,02,350	3,20,23,500.00	32,02,350	3,20,23,500.00
Add: Shares Alloted	-	-	-	-
Add: Shares Forfeited	-	-	-	-
Outstanding at end of year	32,02,350	3,20,23,500.00	32,02,350	3,20,23,500.00

**\* Disclosure pursuant to Para 6D(l)(e) of Division II of Schedule-III to Companies Act,2013**

All the equity shares have voting rights and no other restrictions are attached to them

**\* Disclosure pursuant to Para 6D(l)(f) of Division II of Schedule-III to Companies Act,2013**

No single share in company is held by any holding company or its ultimate holding company or by subsidiary or associate of holding company.

**\* Disclosure pursuant to Para 6D(l)(g) of Division II of Schedule-III to Companies Act,2013**

The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
Sh. Sudarshan Paul Bansal	11,21,715	35.03%	11,21,715	35.03%
Smt Sunita Bansal	5,44,110	16.99%	5,44,110	16.99%
Sh.Gautam Bansal	2,06,400	6.45%	2,06,400	6.45%
Sh. Sidharth Bansal	2,42,250	7.56%	2,42,250	7.56%

**\* Disclosure pursuant to Para 6D(l)(h) of Division II of Schedule-III to Companies Act,2013**

There are no share reserved for the issue under options and contract/commitment for sale of shares or disinvestment.

**\* Disclosure pursuant to Para 6D(l)(i) of Division II of Schedule-III to Companies Act,2013**

There is no share allotted pursuant to contract (s) without payment being received in cash or bonus share and no bought back of share during the last five year immediately preceding the date at which the balance sheet is prepared.

**\* Disclosure pursuant to Para 6D(l)(j) of Division II of Schedule-III to Companies Act,2013**

There are no securities convertible into equity/preference shares.

**\* Disclosure pursuant to Para 6D(l)(k) of Division II of Schedule-III to Companies Act,2013**

There is no call unpaid by directors , officer or other as on Balance Sheet Date.

**\* Disclosure pursuant to Para 6D(l)(l) of Division II of Schedule-III to Companies Act,2013**

There is no forfeiture of shares during the year



**Note no 13 : Financial Liabilities****a.Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Non Current Borrowings</u></b>		
<b>Term Loans &amp; Others from Bank</b>		
HDFC Bank Ltd	31,29,65,146.00	39,92,00,945.00
LBBW TL, Amarawati	8,53,44,321.00	10,62,44,348.00
Bank of Baroda	-	-
Punjab National Bank	-	-
ICICI Bank	-	-
<b>Unsecured Loans</b>	2,58,25,586.00	7,70,24,996.00
<b>Loans and Advances from Related Parties</b>	26,22,341.00	1,45,000.00
<b>Total</b>	<b>42,67,57,394.00</b>	<b>58,26,15,289.00</b>

**\* Disclosure pursuant to Para 6E(I)(ii) of Division II of Schedule-III to Companies Act,2013****Nature of Security:-**

- Term Loans from Bank of Baroda is secured by Hypothecation of Plant & Machinery. First charge on factory land, building, plant & machinery and personal guarantee of the directors.
- Term Loans from Bank of Baroda for Denim unit at Shambhu is secured by Hypothecation of Plant & Machinery & First charge on factory land, building, plant & machinery of units at Shambhu and personal guarantee of the directors.
- Term Loans from Punjab National Bank is secured by Hypothecation of Plant & Machinery & First Charge on factory land, building plant & machinery of terry towel unit at kolhapur and personal guarantee of the directors.
- Vehicle/car loan are secured against hypothecation of respective vehicle.
- Term Loan from HDFC Bank is secured by Hypothecation of Plant & Machinery. First charge on factory land, building, plant & machinery and personal guarantee of the directors.
- Term Loan from LBBW is a Foreign Currency Loan and is secured by Hypothecation of Plant & Machinery.

**\* Disclosure pursuant to Para 6E(I)(vi) of Division II of Schedule-III to Companies Act,2013****Terms of Repayment:-**

- Term Loans from Bank of Baroda is repayable installment on half yearly on monthly basis.
- Vehicle loans are repayable monthly.
- Maturity Profile of Bank Loans are as under:-

Particulars	Maturity Profile (Rs. in Lacs)		
	2020-21	2021-22	2022-23
LBBW Term Loan (Amravati)	284.24	284.24	284.24
HDFC Term Loan (Amravati)	774.41	774.41	774.41

- There is no continuing default as on balance sheet date regarding repayment of loans and interest as the company is regularly repaying all loans and interest thereon within stipulated time.

**Current Borrowings****Loan Repayable on Demands from Banks**

Bank of Baroda	8,99,46,114.00	11,77,34,487.00
HDFC	6,66,44,791.00	8,62,70,814.00
PNB	1,96,33,804.00	5,10,82,730.00

<b>Other Short Term Borrowings</b>	<b>1,93,30,000.00</b>	<b>1,93,30,000.00</b>
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<b>Total</b>	<b>19,55,54,709.00</b>	<b>27,44,18,031.00</b>
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**\* Disclosure pursuant to Para 6F(I)(ii) of Division II of Schedule-III to Companies Act, 2013**

Working Capital Loan from Bank of Baroda is secured by hypothecation of stock of inventories & Book debts as Pari Passu charge of Shambhu unit & Spinning Mill at Kolhapur & Amravati and on the personal guarantee of Sh. S.P. Bansal/ and second charge on the factory land, building and machinery at Shambhu.

Working Capital Loan from Punjab National Bank is secured by hypothecation of stock of inventories & Book debts of Terry Towel unit and on the personal guarantee of directors and first charge on the factory land, building and machinery of Terry Towel Unit at Kolhapur.

Working Capital Loan from HDFC Bank is secured by hypothecation of stock of inventories & Book debts of Amravati unit and on the personal guarantee of directors and first charge on the factory land, building and machinery of Ring Frame Spinning Unit at Amravati.

Details of Short Term borrowings guaranteed by some of the directors or others:

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Loan Repayable on Demand</b>		
- From Banks (Secured)	17,62,24,709.00	25,50,88,031.00
- From Others Parties		

**b. Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
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**\*Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act').

Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Company.

**Total outstanding dues of micro enterprises and small enterprises**

-The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
-The interest due thereon remaining unpaid to any supplier at the end of year;	-	-
-The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
-The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**Total outstanding dues of creditors other than micro enterprises and small enterprises**

Trade Creditors	14,56,89,237.00	8,79,72,567.00
Sundry Creditors	70,23,273.00	91,28,142.00
<b>Total</b>	<b>15,27,12,510.00</b>	<b>9,71,00,709.00</b>

**c. Other Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Current Maturities of Long term debt	10,58,65,055.00	6,45,99,627.00
<b>Total</b>	<b>10,58,65,055.00</b>	<b>6,45,99,627.00</b>

**Note no 14: Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a. Non Current; Long Term</b>		
Provision for Gratuity	76,90,285.00	51,06,524.00
<b>Total</b>	<b>76,90,285.00</b>	<b>51,06,524.00</b>
<b>b. Current; Short Term</b>		
Current provision of gratuity	1,44,655.00	1,30,673.00
Expenses Payable	2,48,63,764.00	2,01,58,291.00
Provision for CSR Expenses	21,30,978.00	54,40,788.00
<b>Total</b>	<b>2,71,39,397.00</b>	<b>2,57,29,752.00</b>

**Note no 15 : Current Tax Liabilities/(Assets) (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxes	1,33,08,625.60	1,64,40,040.40
Less: Advance Taxes and TDS	(1,55,22,626.00)	(3,25,42,516.00)
<b>Total</b>	<b>(22,14,000.40)</b>	<b>(1,61,02,475.60)</b>

**Note no 16 : Other Current Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Liabilities</b>		
Against Capital Goods	16,30,296.00	57,82,782.00
Advances from Customer	53,25,221.00	62,56,782.00
Statutory Dues payable	27,97,445.00	38,71,796.00
Other current liabilities	63,329.00	-
<b>Total</b>	<b>98,16,291.00</b>	<b>1,59,11,360.00</b>

**Note No 12 : Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserves	2,21,29,621.00	2,21,29,621.00
Securities Premium	1,54,29,900.00	1,54,29,900.00
General Reserve	11,99,001.00	11,99,001.00
Surplus/ Retained Earnings	1,34,40,77,777.18	1,28,96,45,792.83
<b>Retained Earnings</b>		
Opening Balance	1,28,96,45,792.83	1,21,42,23,424.53
Add: Profit for the year	5,66,14,874.00	7,31,43,748.70
Add: Tax Adjustments	(18,07,632.65)	20,92,052.00
Add: Adjustment for Gratuity Provision	-	-
Add: Transfer from OCI	(3,75,257.00)	1,86,567.60
	<u>1,34,40,77,777.18</u>	<u>1,28,96,45,792.83</u>
<b>Total</b>	<b>1,38,28,36,299.18</b>	<b>1,32,84,04,314.83</b>

**Note no 17: Revenue from Operations**

Particulars	2019-20	2018-19
Sales of Product	3,42,83,90,031.00	2,75,36,59,813.00
Other Operating Income		
Miscellaneous Sales	36,37,004.00	39,77,877.00
<b>Total</b>	<b>3,43,20,27,035.00</b>	<b>2,75,76,37,690.00</b>

**Note no 18: Other Income**

Particulars	2019-20	2018-19
Interest Income	33,73,007.00	26,58,544.00
Miscellaneous Income	20,32,709.00	2,66,03,788.00
<b>Total</b>	<b>54,05,716.00</b>	<b>2,92,62,332.00</b>

**Note no 19: Cost of Raw Material Consumed**

Particulars	2019-20	2018-19
Stock at the beginning of year	6,76,84,481.00	5,61,83,001.00
Add: Purchases	2,52,70,79,817.00	1,91,73,62,534.00
	2,59,47,64,298.00	1,97,35,45,535.00
Less: Inventory at the end of year	(10,42,06,255.00)	(6,76,84,481.00)
<b>Total</b>	<b>2,49,05,58,043.00</b>	<b>1,90,58,61,054.00</b>

**Note no 20: Changes in inventories of finished goods & work in progress**

Particulars	2019-20	2018-19
Stock at the end of year	13,68,50,104.00	9,18,51,489.00
Stock at the beginning of year	9,18,51,489.00	15,88,54,756.00
<b>(Increase)/ Decrease in Inventories</b>	<b>(4,49,98,615.00)</b>	<b>6,70,03,267.00</b>

**Note no 21: Employee Benefit Expenses**

Particulars	2019-20	2018-19
Salary & Wages	15,89,99,314.10	10,01,08,338.00
Contribution to Provident Funds	52,16,027.00	45,48,614.00
Contribution to Employee State Insurance	15,16,137.00	19,71,256.00
Staff & Labour welfare	54,95,956.00	44,86,890.00
Bonus	61,08,893.00	57,84,451.00
	<b>17,73,36,327.10</b>	<b>11,68,99,549.00</b>
Director's Remuneration	2,12,00,000.00	2,16,00,000.00
Gratuity Expenses	20,77,852.00	16,60,867.00
<b>Total</b>	<b>20,06,14,179.10</b>	<b>14,01,60,416.00</b>

**Note no 22: Finance Cost**

Particulars	2019-20	2018-19
Interest Expenses	7,39,67,474.00	3,99,78,392.00
Bank Charges	12,87,052.00	14,05,247.00
<b>Total</b>	<b>7,52,54,526.00</b>	<b>4,13,83,639.00</b>

**Note no 23: Other Expenses**

Particulars	2019-20	2018-19
<b>A. Direct Production Expenses</b>		
Packing Materials	2,12,26,670.00	1,16,88,638.00
Generator Running & Maintenance	6,94,877.00	14,51,407.00
Repairs & Maintenance	1,93,59,019.00	2,37,42,631.00
Building Repairs	15,55,594.00	9,25,751.00
Stores & Chemical Consumed	8,61,75,211.00	9,44,82,922.00
Power & Fuel	27,65,96,162.00	22,69,81,402.00
	<b>40,56,07,533.00</b>	<b>35,92,72,751.00</b>

**B. Administrative Expenses**

Printing & Stationery	5,05,343.00	3,29,740.00
Insurance	18,14,805.00	10,11,637.00
General Expenses	3,37,85,984.00	4,47,59,668.00
Legal & Professional Charges	23,39,141.00	12,10,615.00
Charity & Donation	7,73,840.00	7,05,619.00
Fees and Taxes	10,12,864.00	2,72,053.00
Board Meeting Fees	21,000.00	21,000.00
Rent	27,12,921.00	15,43,094.00
Postage & Telegram	1,71,416.00	1,33,504.00
Travelling & Conveyance	9,03,021.00	11,70,173.00
Advertisement & Publicity	10,000.00	17,500.00
Telephone Expenses	2,87,452.00	2,43,303.00
Fire Fighting Expenses	23,380.00	2,74,153.00
Other Expenses	10,42,628.00	61,10,906.00
	<b>4,54,03,795.00</b>	<b>5,78,02,965.00</b>

**C. Audit Fees**

Audit Fees	59,000.00	57,000.00
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**D. Selling & Distribution Expenses**

Freight, Octroi & Carriage	1,65,99,206.00	68,47,817.00
Brokerage Expenses	91,06,478.00	47,32,028.00
Taxes Paid	750.00	4,540.00
Penalties	-	10,000.00
	<b>2,57,06,434.00</b>	<b>1,15,94,385.00</b>

<b>Total (A+B+C+D)</b>	<b>47,67,76,762.00</b>	<b>42,87,27,101.00</b>
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**Note no 24: Exceptional Items**

Particulars	2019-20	2018-19
Loss/(Profit) on Sale of Fixed Assets	1,75,044.00	-
<b>Total</b>	<b>1,75,044.00</b>	<b>-</b>

**Note no 25: Other Comprehensive Income**

Particulars	2019-20	2018-19
Re-measurement gains/(losses) on defined gratuity plan	(5,19,891.00)	2,86,780.00
Income Tax Effect	1,44,634.00	(1,00,212.40)
<b>Total</b>	<b>(3,75,257.00)</b>	<b>1,86,567.60</b>

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### 1.0 Corporate Information

Partap Industries Limited is a Public Limited Company incorporated and domiciled in India having its registered office at Village Beoprur, Tehsil Rajpura, District Patiala in the state of Punjab. Company has manufacturing locations at Rajpura (Punjab), Kolhapur (Maharashtra), and Amravati (Maharashtra). Company is primarily in to manufacturing of Cotton Yarn, Denim Fabric& Terry Towel.

### 2.0 Statement of Compliance and Basis of Preparation

#### 2.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These financial statements for the year ended March 31, 2020 are the financial statements that the Company has prepared in accordance with Ind AS.

#### 2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

### 3.0 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2017 being the date of transition to Ind AS:

#### 3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in
- the normal operating cycle;
- Held primarily for the purpose of trading;

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **3.2 Use of estimates and judgements**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### **3.3 Fair value measurement**

The Company measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or Transfer the liability takes place either:

- In the principal market for the asset or liability; Or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### **3.4 Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

### **Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

### **Depreciation**

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at fair value as at April 1, 2017 and used that fair value as deemed cost of the property, plant and equipment.

## **3.5 Inventories**

Inventories of Raw material, Work-in-progress, finished goods and Stock-in-trade are valued at the lower of cost and net realizable value. However, Raw material 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realizable value. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### **3.7 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

#### **a. Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

#### **b. Interest income**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### **c. Profit or loss on sale of Investments**

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

### **3.8 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **A. Financial assets**

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## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### i. Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### a. Financial assets at amortized cost:

A financial asset is measured at amortized cost if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

#### b. Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gains or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

the equity to P&L. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

### **c. Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. After initial measurement, such financial assets are subsequently measured at fair value with all changes recognized in Statement of profit and loss.

### **d. Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **iii. Derecognition of financial assets**

A financial asset is derecognised when:

- The contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### iv. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Amortizedcost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortized Cost	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
Amortizedcost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### **v. Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument



## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head “Other expenses” in the P&L.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### **B. Financial Liabilities**

#### **i. Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts etc.

#### **ii. Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

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## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### **a. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

### **b. Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### **iii. Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **C. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.9 Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.10 Taxes

Tax expense comprises of current income tax and deferred tax.

#### i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss. Current income tax are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ii. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

### **3.11 Employee Benefits**

#### **a. Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognized in the period in which the employee renders the related service.

#### **b. Post-Employment Benefits: Defined Benefit Plans**

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on management calculation as per Ind-AS 19 using the Projected Unit Credit Method as at the date of the Balance sheet. Company has not obtained actuarial valuation in this regard. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### 3.12 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Calculation of Weighted Average Number of Equity Shares of Rs. 10 each

(Rs. In Lacs)			
Particulars	Unit	Year Ended 31.03.2020	Year Ended 31.03.2019
Net Profit as attributable to Equity shareholder (A)	Rupees	563.86	733.30
Weighted average Number of Equity Share outstanding during the year (B)	Numbers	3202350	3202350
Earnings Per Share (Basic & Diluted) (A/B)	Rupees	17.61	22.90
Nominal value per share	Rupees	10	10

### 3.13 Provisions

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **4.0 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **4.1 Estimates and assumption**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### **a. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

##### **b. Taxes**

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **c. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Application of newly adopted / amended IndAS are not expected to have any significant impact on the Company's Financial Statements in material terms .

### **4.2 Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

### **4.3 Contingent Liabilities / Assets :-**

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable. Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

As certified by management and explanation made available by management, No such contingent liabilities are required to be providedfor.

### **4.4 COVID Impact 2019 on the Company**

The Rapid outbreak of COVID 19 presents an alarming health crisis that overall world is grappling with. The Impact of COVID 19 pandemic are unfolding in real time . The COVID 19 outbreak has already has significant effect on economics of affected countries and international financial markets. The impact of outbreak on the company's accounting & financial reporting is evaluated by management as under -:

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- At present , company's operations are not much exposed to the impacts of the outbreaks except facing various restrictions and reservations such as
  - Labour migration resulting into disturbances of smooth running of commercial manufacturing / Job-work
  - Financial health of suppliers and customers
  - Availability of raw material at predetermined prices
  - Potential source of replacement of financing
  - Government assistance
  - Travel ban restrictions
  - Increase in the heavy cost of the overall logistics and restriction on material movement due to lockdown
- After critical evaluation of impact of current events and conditions which have on company's operations and forecasted cash flows , close call by management is that company is still have sufficient liquidity to meet its obligations as they fall due.
- All the future budget and forecasts which are used to support the management's initial going concern assessment, may not be impacted and It may not require any significant revision to support management's assessment in the current environment considering the overall commercial operations of the company.

### **Other notes to the Standalone Financial Statements for the year ended 31st March, 2020**

#### **5.0 Other Disclosures**

##### **5.1 Segment Reporting"**

The company is engaged in three manufacturing activities having forward integration. Following are the broad disclosure under this head:

<b>(Amount in Lacs)</b>				
<b>PARTICULARS</b>	<b>SPINNING UNIT</b>	<b>DENIM UNIT</b>	<b>TERRY TOWEL UNIT</b>	<b>RING SPINNING UNIT</b>
Geographical Location	Kolhapur (Maharashtra)	Rajpura (Punjab)	Kolhapur (Maharashtra)	Amravati (Maharashtra)
Product Manufactured	Cotton Yarn	Denim Fabric	Terry Towel	Cotton Yarn
Segment Fixed Assets as on 31.03.2020 (WDV)	962.08	1334.48	1416.84	6521.37



## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Segment Fixed Assets purchased During the year	0.00	6.09	0.00	316.52
Segment Term Liability as on 31.03.2020	0.00	0.00	0.00	5007.58
Segment Revenue for the year ending on 31.03.2020	4242.34	11120.39	9790.89	9166.65
Segment Allocable Net Profit Earned for the year ending on 31.03.2020	(30.21)	72.08	1047.78	(543.86)
Segment Depreciation for the year ending on 31.03.2020	140.17	133.92	250.42	1164.75

### 5.2 Transaction with Related parties during the year:

a) Transaction made during the year (Rs. in Lacs)

Sr. No.	Nature Of transactions	Subsidiary	Associates	Key Mgt. Personnel	Others	Total
1	Sale of Fixed Assets	5.00	-	-	-	14.26
2	Purchase of Fixed Assets	5.25	-	-	-	22.93
3	Investments as on 31.03.2020	-	-	-	-	-
4	Loan Given	-	-	-	-	-
5	Sales Cotton/Cotton Waste Waste/PSF	-	373.87	-	-	373.87
6	Sales Yarn	-	4122.81	-	-	4122.81
7	Sales Terry Towel	-	2518.23	-	-	2518.23
8	Sales Bed Sheet	-	23.50	-	-	23.50
9	Sales Chemicals	-	0.78	-	-	0.78
10	Sales Others	-	18.47	-	-	18.47
11	Purchases Cotton/Cotton Waste	-	2249.89	-	-	2249.89

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

	Waste/PSF					
12	Purchases Yarn	-	8960.53	-	-	8960.53
13	Purchases Terry Towel	-	8.98	-	-	8.98
14	Purchases Chemicals	-	138.40	-	-	138.40
15	Purchases Others	-	18.60	-	-	18.60
16	Remuneration to Directors	-	-	212.00	26.76	238.76

\*Investment in subsidiary or associates concerns was made in earlier year; no fresh Investment has been made in the current year.

### 5.3 Balance due to or due from Related Parties as on 31.03.2020.

#### PARTICULARS

#### AMOUNT

#### Advances Given:-

- Sudarshan Auto Industries Pvt. 27,79,00,333.00 Dr.
- Partap Extraction Ltd. 41,89,930.00 Cr.

#### Creditors against Expenses/Services:-

- Sh. Siddharth Bansal 3,93,631.00 Cr.
- Smt. Sunita Bansal 22,28,710.00 Cr.

#### Investment in:-

- M/s Sudarshan Auto Industries (P) Ltd 7,99,00,000.00  
(799000 Equity Shares of Rs. 100/- each)

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- M/s Sudarshan Auto Industries (P) Ltd 12,00,00,000.00  
(1200000 Equity Shares of Rs. 100/- each)
- Sudarshan Jeans (P) Ltd., Kolhapur 2,01,90,000.00  
(201900 Equity Shares of Rs. 100/- each)
- Sudarshan Jeans (P) Ltd., Kolhapur 3,92,00,000.00  
(40000 Equity Shares of Rs. 980/- each)

**5.4** The detail of amount outstanding to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company are as under:-

(Rs. in Lacs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount due and remaining repaid*	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year.	-	-
5	Interest due and payable for the period of delay other than (3)	-	-
6	Interest accrued and remaining unpaid.	-	-
7	Amount of further interest remaining due and payable in succeeding year.	-	-

**5.5 Form AOC-I: Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures:-**

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

(In Lacs)

<b>Name of the Subsidiary Company</b>	Sudarshan Auto Industries Private Limited
<b>The date since when subsidiary was acquired</b>	
<b>Financial Year ending on</b>	31 <sup>st</sup> March 2020
<b>Reporting Currency</b>	Indian Rupee
<b>Exchange Rate on the last day of the financial year</b>	-
<b>Share Capital</b>	800.00
<b>Reserves &amp; Surplus</b>	(2225.18)

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

<b>Total Assets</b>	4231.37
<b>Total Liabilities</b>	4231.37
<b>Investments (excluding Investments made in subsidiaries)</b>	1.63
<b>Turnover</b>	2253.74
<b>Profit/(Loss) before tax</b>	(1100.23)
<b>Provision for tax</b>	115.68
<b>Profit/(Loss) after tax</b>	(984.54)
<b>Proposed Dividend</b>	-
<b>% of shareholding</b>	99.87%

### 5.6 Additional information pursuant to the Part-I Schedule – III of the Companies Act, 2013:-

- a) CONTINGENT LIABILITIES & COMMITMENTS pursuant to the provision of Para T of the Part-1 of Schedule III of the Companies Act, 2013:-

#### CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):-

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Claim against the company not acknowledged as debts	Nil	Nil
Guarantee given for loan taken by M/s Sudarshan Jeans Pvt Ltd, Kolhapur	Nil	Nil
Indemnity Bond given to Commissioner of Customs, Ludhiana for import of Capital Goods	Rs. 1720 Lacs	Rs. 1720 Lacs

#### COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):-

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Estimated amount of contracts remaining to be executed on capacity account not provided for	Nil	Nil
Uncalled liabilities on shares & other investments partly paid	Nil	Nil
Other Commitments	Nil	Nil

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- b) No Dividend is proposed to be distributed to equity shareholder for the period .Hence disclosure pursuant to Para-U of the Part-1 of Schedule III of the Companies Act, 2013 not applicable.
- c) No issue of securities is made during the year, therefore disclosure pursuant to Para-V of the Part-1 of Schedule III of the Companies Act, 2013 not applicable.

### 5.7 Additional information pursuant to the provision of Para 5(i) of Part-II Schedule – III of the Companies Act, 2013:-

- a) Details of Auditors Remuneration [Clause (j) of Para 5(i)] :

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Statutory Audit Fees	50000.00	57000.00
Tax Audit Fees	9000.00	-
Company Law Matters	-	-
Management services	-	-
Other services	-	-
Reimbursement of Out of Pocket Expenses	-	-

- b) Details of Prior period item as per applicable Accounting standard-5” Net Profit or Loss for the period , Prior period items and changes in Accounting policies” is as under [Clause (l) of Para 5(i)] :

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Prior Period Expenses	1042627.85	6110906.00
Prior Period Income	0.00	0.00

### 5.8 Additional information pursuant to the provision of Para 5(ii) of Part-II of the Schedule – III of the Companies Act, 2013:-

- a) Raw Material Consumption Under Broad Heads (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Cotton, Comber & P.S.F	13266.21	17364.98
Cotton Yarn	10122.52	--
Polyster&Slub Yarn	1516.84	1693.63
Packing Material	212.27	116.89
Chemicals	853.69	922.01
Fuel	328.13	308.78

### b) Goods purchased Under Broad Heads (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Cotton, Comber & P.S.F	13563.23	17476.58
Cotton Yarn	10202.98	--
Polyster&Slub Yarn	1504.59	1697.05

## 5.9 Additional information pursuant to the provision of Para 5(iii) of Part-II of the Schedule – III of the Companies Act, 2013:-

### a) Work in process (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Spinning Unit (Shambhu)	2.85	9.70
Denim Unit (Shambhu)	194.11	122.42
Spinning Unit (Kolhapur)	28.53	37.05
Terry Towel Unit (Kolhapur)	121.05	22.04
Amravati Unit (Maharashtra)	106.91	37.68

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### 5.10 Additional information pursuant to the provision of Para 5(viii) of Part-II of the Schedule – III of the Companies Act, 2013:-

- a) Value of Import calculated on C.I.F basis by the company during the financial year 2019-20  
[Clause (a) of Para 5(viii)]:-

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
CIF Value of Import (Raw Material)	Nil	Nil
CIF Value of Import (Components & Spare Parts, Chemicals)	0.02Lacs	0.41 Lacs
CIF Value of Import (Plant & Machinery)	21.31Lacs	2009.24 Lacs

- b) Expenditure Incurred in Foreign currency [Clause (b) of Para 5(viii)]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Royalty, Know How	Nil	Nil
Professional & Consultation Fee	Nil	13.07 Lacs
Interest	21.91Lacs	7.97 Lacs
<u>Other:-</u>		
Loan Raised	--	1425.67 lacs
Loan Re-payment	275.09 lacs	--
Director Travelling	--	--

- c) Total value if all Imported & Indigenous Raw Material, Spare Parts & components consumed during the year and percentage of each to total consumption [Clause (c) of Para 5(viii)]:-

i) **Raw Material**

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	%	(Rs. in Lacs)	%	(Rs. in Lacs)
Imported	0.00%	0.00	0.00%	0.00
Indigenous	100.00%	25270.80	100.00%	19173.63
<b>Total</b>	<b>100.00%</b>	<b>25270.80</b>	<b>100.00%</b>	<b>19173.63</b>

### ii) Store, Spare Parts. Dye & Chemicals

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	%	(Rs. in Lacs)	%	(Rs. in Lacs)
Imported	0.002 %	0.02	0.03 %	0.41
Indigenous	99.998%	1069.71	99.97%	1204.97
<b>Total</b>	<b>100.00%</b>	<b>1069.73</b>	<b>100.00%</b>	<b>1205.37</b>

### d) Amount remitted during the year in foreign currency [Clause (d) of Para 5(viii)]:-

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Dividend Amount in foreign currency	Nil	Nil
No. of Non Resident Shareholder	Nil	Nil
Total No. of share held by them on which dividend is due.	Nil	Nil
Year to which dividend related	NA	NA

### e) Earning in foreign currency [Clause (e) of Para 5(viii)]:-

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
FOB Value of Export	220.45	237.32



SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Royalty, Know How	Nil	Nil
Professional & Consultation Fee	Nil	Nil
Interest	Nil	Nil
Other	Nil	Nil

**For Sunit Gupta & Associates**  
**Chartered Accountants**  
**FRN-014237N**

**Place: Ambala City**

**Date: 03.07.2020**

**CA. Sunit Gupta**  
**Partner**  
**M.No. 091453**

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
PARTAP INDUSTRIES LIMITED.

### I. Report on the Audit of the Financial Statements

#### 1. Opinion

- A. We have audited the accompanying Consolidated financial statements of PARTAP INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in equity and the Consolidated 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 Consolidated financial statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

#### 2. Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated 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 Consolidated financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below

to be the key audit matters to be communicated in our report.

#### **Emphasis of Matter**

We would like to draw attention towards the economic and social consequences/ disruption, the entity is facing as a result of COVID-19 which is impacting supply chains/consumer demand/ financial markets/ commodity prices/ personnel available for work and being or being able to access office locations. We have assessed the impact of current situation and our opinion is not modified in respect of this matter.

#### **4. Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

- A. 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 Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- B. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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.

#### **5. Management's Responsibility for the Financial Statements**

- A. The Holding 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Consolidated financial statements, management of the Group

and of its associates and jointly controlled entities is responsible for assessing the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## **6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

- A. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - i) Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls
  - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
  - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

- v) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider 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 Consolidated Financial Statements.
- D. 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.
- E. 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated 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

## **Other Matters**

- A. We did not audit the financial statements of **Sudarshan Auto Industries Private Limited**(subsidiary) whose financial statements reflect total assets of **Rs.36.37 Cr.** as at 31st March, 2020, total revenues of **Rs.22.67 Cr.** and net cash inflows amounting to **Rs.0.89 Cr.** for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## **II. 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in equity and the Consolidated Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account
- D. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements.
- 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 for which there were any material foreseeable losses; and
  - iii) There is no amount that is required to be transferred, to the Investor Education and Protection Fund by the Company.
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 Sunit Gupta & Associates  
Chartered Accountants  
FRN-014237N**

**Date: 03.07.2020  
Place: Ambala City**

**CA. Sunit Gupta  
Partner  
M.No. 091453  
UDIN- 20091453AAAAFO4937**

## **ANNEXURE –“A”**

### **TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 1(e) under 'Report on other legal and regulatory requirements of our report of even date)**

#### **Report on the Internal Financial Controls 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 **PARTAP INDUSTRIES LIMITED**. ("The Company") as of 31 March 2020 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 Company's management 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 ('ICAI'). 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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.



### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent 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, 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 31 March 2020, 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 Sunit Gupta & Associates**  
**Chartered Accountants**  
**FRN-014237N**

**Date: 03.07.2020**  
**Place: Ambala City**

**CA. Sunit Gupta**  
**Partner**  
**M.No. 091453**

**ANNEXURE 'B'**

**TO THE INDEPENDENT AUDITORS' REPORT**

**The Annexure referred to in our report to the members of PARTAP INDUSTRIES LIMITED for the year ended 31<sup>st</sup> March, 2020.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
  - (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
  - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.

- (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
  5. The company has not accepted any deposits.
  6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
  - 7
    - (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
    - (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
  8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
  9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)
  10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
  11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Sunit Gupta & Associates**

**Chartered Accountants**

**FRN-014237N**

**CA. Sunit Gupta**

**Partner**

**Date: 03.07.2020**

**Place: Ambala City**

**M.No. 091453**

**PARTAP INDUSTRIES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020**

	PARTICULARS	Note No.	As at 31.03.2020	As at 31.03.2019
I	<b>ASSETS</b>			
	<b>1. NON CURRENT ASSETS</b>			
	a. Property, Plant & Equipment	5	1,38,72,17,568.00	1,56,93,49,108.00
	b. Capital Work in Progress	6	5,79,698.00	-
	c. Investment Property		-	-
	d. Intangible Assets		-	-
	e. Financial Assets			
	Investments	7a	5,93,90,000.00	5,95,90,000.00
	Trade Receivables	7d	-	2,80,735.00
	Loans	7b	(41,89,930.00)	19,96,38,081.00
	Other Financial Assets	7c	4,94,69,838.00	4,94,12,435.00
	f. Deferred Tax Assets (Net)		1,99,99,948.00	77,00,213.12
	g. Other Non Current Assets	10a	84,81,188.00	65,91,526.00
	<b>Total Non Current Assets</b>		<b>1,52,09,48,310.00</b>	<b>1,89,25,62,098.12</b>
	<b>2. CURRENT ASSETS</b>			
	a. Inventories	9	25,39,20,970.00	17,30,05,624.00
	b. Financial Assets			
	Investments		-	-
	Trade Receivables	7d	41,35,33,161.00	32,59,95,653.00
	Cash & Cash Equivalents	7e	2,14,27,453.00	2,17,62,037.00
	Loans	7b	2,25,70,544.00	1,16,53,231.00
	c. Current Tax Assets (Net)	15	68,02,185.00	2,58,40,802.60
	d. Other Current Assets	10b	8,95,68,658.00	9,32,92,982.00
	e. Assets Classified as held for sale		-	-
	<b>Total Current Assets</b>		<b>80,78,22,971.00</b>	<b>65,15,50,329.60</b>
	<b>TOTAL ASSETS</b>		<b>2,32,87,71,281.00</b>	<b>2,54,41,12,427.72</b>
II	<b>EQUITY &amp; LIABILITIES</b>			
	<b>1. EQUITY</b>			
	a. Equity Share Capital	11	3,20,23,500.00	3,20,23,500.00
	b. Other Equity	12	1,15,90,38,281.00	1,20,19,03,059.83
	<b>Total Equity</b>		<b>1,19,10,61,781.00</b>	<b>1,23,39,26,559.83</b>
	<b>Equity Attributable to Parents</b>		<b>1,19,10,61,781.00</b>	<b>1,23,39,26,559.83</b>
	<b>Non Controlling Interest</b>		<b>(1,81,298.00)</b>	<b>(58,707.00)</b>
	<b>Total Equity</b>		<b>1,19,08,80,483.00</b>	<b>1,23,38,67,852.83</b>
	<b>2. LIABILITIES</b>			

<b>A. NON CURRENT LIABILITIES</b>			
a. Financial Liabilities			
Borrowings	13a	55,03,05,535.00	73,46,04,533.00
Other Financial Liabilities		-	-
b. Long Term Provisions	14a	76,90,285.00	51,06,524.00
c. Deferred Tax Liabilities (Net)	8	4,09,21,243.00	4,04,59,978.89
d. Other Non Current Liabilities		-	-
<b>Total Non Current Liabilities</b>		<b>59,89,17,063.00</b>	<b>78,01,71,035.89</b>
<b>B. CURRENT LIABILITIES</b>			
a. Financial Liabilities			
Borrowings	13a	19,92,33,450.00	28,68,32,848.00
Trade Payables			
-Total outstanding dues of Micro Enterprises & Small Enterprises			
-Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	13b	16,22,97,469.00	10,05,41,988.00
Other Financial Liabilities	13c	13,44,58,607.00	9,52,58,938.00
b. Short Term Provisions	14b	3,26,81,914.00	3,06,90,297.00
c. Current Tax Liabilities (Net)	15	-	-
d. Other Current Liabilities	16	1,03,02,295.00	1,67,49,468.00
e. Liabilities directly associated with assets classified as held for sale		-	-
<b>Total Current Liabilities</b>		<b>53,89,73,735.00</b>	<b>53,00,73,539.00</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>2,32,87,71,281.00</b>	<b>2,54,41,12,427.72</b>
Summary of Significant Accounting Policies	1 to 4		
The accompanying notes are an integral part of the financial statements			
		(0.00)	(0.00)

For and on behalf of board of  
Partap Industries Limited

Director  
(S.P. Bansal)  
DIN-00178378

Director  
(Gautam Bansal)  
DIN-02275574

FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

PLACE: AMBALA CITY  
DATE: 03.07.2020

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

**PARTAP INDUSTRIES LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2020**

	PARTICULARS	Note no.	For the year ended 31.03.2020	For the year ended 31.03.2019
	<b>Income</b>			
I	Revenue from Operations	17	3,65,26,01,902.00	2,96,49,68,309.00
II	Other Income	18	67,66,165.00	3,08,97,872.00
	<b>Total Income (A)</b>		<b>3,65,93,68,067.00</b>	<b>2,99,58,66,181.00</b>
	<b>EXPENSES</b>			
III	Cost of Raw Materials Consumed	19	2,49,61,91,743.00	1,91,06,37,936.00
IV	Purchase of Stock in Trade		-	-
V	Changes in Inventory of Finished Goods, Raw Materials & Stock-in-Trade	20	(4,49,98,615.00)	6,70,03,267.00
VI	Employee Benefit Expenses	21	27,61,05,312.00	19,53,35,567.00
VII	Financial Costs	22	9,02,94,420.00	4,50,02,831.00
VIII	Depreciation and Amortization	5	27,94,80,817.00	13,15,37,078.00
IX	Other Expenses	23	60,20,15,891.00	52,72,71,309.00
	<b>Total Expenses (B)</b>		<b>3,69,90,89,568.00</b>	<b>2,87,67,87,988.00</b>
IX	<b>Profit Before Tax &amp; Exceptional Items ( A-B=C )</b>		<b>(3,97,21,501.00)</b>	<b>11,90,78,193.00</b>
X	<b>Exceptional Items (D)</b>	24	(1,75,044.00)	-
XI	<b>Profie Before Tax ( C-D=E )</b>		(3,98,96,545.00)	11,90,78,193.00
	<b>TAX EXPENSES</b>			
XII	Current Tax		1,34,00,000.00	1,69,93,421.00
XIII	Deferred Tax		(1,18,38,470.77)	3,63,80,098.30
	<b>Total Tax Expenses (F)</b>		15,61,529.23	5,33,73,519.30
XIV	<b>Profit for the Period ( E-F=G )</b>		<b>(4,14,58,074.23)</b>	<b>6,57,04,673.70</b>
	<b>OTHER COMPREHENSIVE INCOME</b>	25		
XV	Items that will not be reclassified subsequently to Profit & Loss Account		(5,19,891.00)	2,86,780.00
XVI	Income Tax Relating to Items that will not be reclassified to Profit & Loss Account		1,44,634.00	(1,00,212.40)
	<b>Total Other Comprehensive Income (H)</b>		<b>(3,75,257.00)</b>	<b>1,86,567.60</b>
XVII	<b>Total Comprehensive Income for the period (G+H)</b>		<b>(4,18,33,331.23)</b>	<b>6,58,91,241.30</b>
XVIII	<b>Profit for the year attributable to</b>			
	Equity Holders of Parent		(4,13,35,483.23)	6,57,13,155.70
	Non Controlling Interest		(1,22,591.00)	(8,482.00)

XIX	<b>Other Comprehensive Income attributable to</b>			
	Equity Holders of Parent		(3,75,257.00)	1,86,567.60
	Non Controlling Interest		-	-
XX	<b>Total Comprehensive Income attributable to</b>			
	Equity Holders of Parent		(4,17,10,740.23)	6,58,99,723.30
	Non Controlling Interest		(1,22,591.00)	(8,482.00)
	<b>Earning Per Equity Share</b>			
	Equity Share of Par Value Rs.10 each			
	<b>Basic</b>		(13.03)	20.58
	<b>Diluted</b>		(13.03)	20.58
	Summary of Significant Accounting Policies	1 to 4		
	The accompanying notes are an integral part of the financial statements			

For and on behalf of board of  
Partap Industries Limited

**Director**  
(S.P. Bansal)  
DIN-00178378

**Director**  
(Gautam Bansal)  
DIN-02275574

**FOR SUNIT GUPTA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN: 014237N**

**PLACE: AMBALA CITY**  
**DATE: 03.07.2020**

**CA. SUNIT GUPTA**  
**PARTNER**  
**M NO. : 091453**



**PARTAP INDUSTRIES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended March 31, 2020**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>A. Operating Activities</b>		
Profit Before taxation	(3,98,96,545.00)	11,90,78,193.00
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation & Amortization	27,94,80,817.00	13,15,37,078.00
Finance Costs	9,02,94,420.00	4,50,02,831.00
Interest Income	(47,11,245.00)	(35,48,843.00)
Gratuity Expenses	20,77,852.00	16,60,867.00
<b>Operating Profit before Working Capital Changes</b>	<b>32,72,45,299.00</b>	<b>29,37,30,126.00</b>
<u>Working Capital Changes</u>		
Inventories	(8,09,15,346.00)	5,13,38,198.00
Trade Receivables	(8,75,37,508.00)	(20,79,16,179.00)
Loans	(1,09,17,313.00)	74,78,531.00
Other Current Assets	37,24,324.00	(4,85,04,073.00)
Current Tax Assets (Net)	1,90,38,617.60	(2,58,40,802.60)
Trade Payables	6,17,55,481.00	84,17,420.00
Other Financial Liabilities	3,91,99,669.00	(2,73,86,734.00)
Current Tax Liabilities (Net)	-	(1,07,11,532.00)
Short Term Provisions	19,91,617.00	60,29,857.00
Other Current Liabilities	(64,47,173.00)	(1,37,29,653.00)
<b>Net Changes from Working Capital</b>	<b>(6,01,07,631.40)</b>	<b>(26,08,24,967.60)</b>
<b>Cash generated from Operations</b>	<b>26,71,37,667.60</b>	<b>3,29,05,158.40</b>
Income Taxes Paid	(1,39,67,608.00)	(1,51,73,687.40)
<b>Net Cash from Operating Activities</b>	<b>25,31,70,059.60</b>	<b>1,77,31,471.00</b>
<b>B. Cash Flow from Investing Activities</b>		
Advance to Suppliers for Fixed Assets & Deposits	(19,47,065.00)	(1,01,07,141.00)
Purchase of Fixed Assets	(9,86,04,018.60)	(78,01,78,277.00)
Sale of Fixed Assets	5,00,000.00	12,08,526.00
Long Term Loans & Advances	20,38,28,011.00	4,06,21,748.00
Interest Income	47,11,245.00	35,48,843.00
Sale of Investments	2,00,000.00	
<b>Net Cash flow from investing activities</b>	<b>10,86,88,172.40</b>	<b>(74,49,06,301.00)</b>
<b>C. Cash flow from Financing Activities</b>		
Repayment of Long term Borrowings	(18,44,10,172.00)	59,10,44,137.00
Repayment of Short term Borrowings	(8,75,99,398.00)	16,74,14,271.00
Interest & Finance Cost Paid	(9,02,94,420.00)	(4,50,02,831.00)
<b>Net Cash flow from financing activities</b>	<b>(36,23,03,990.00)</b>	<b>71,34,55,577.00</b>
<b>D. Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(4,45,758.00)</b>	<b>(1,37,19,253.00)</b>
<b>E. Cash &amp; Cash Equivalent at beginning of the year</b>	<b>2,17,62,037.00</b>	<b>3,54,81,290.00</b>
<b>E. Cash &amp; Cash Equivalent at the end of year</b>	<b>2,13,16,279.00</b>	<b>2,17,62,037.00</b>

**Notes on Cash flow statement**

- Cashflow statement has been prepared as per Ind AS 7
- Direct Taxes paid are treated as arising from operating activities and not separately bifurcated between Investing & Financing Activities
- Cash and Cash equivalents includes cash and Bank balances & bank OD

For and on behalf of board of

Partap Industries Limited

Director  
(S.P. Bansal)  
DIN-00178378

Director  
(Gautam Bansal)  
DIN-02275574

Sr. Manager Accounts  
(Suresh Goel)

FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

PLACE: AMBALA CITY  
DATE: 03.07.2020

PARTAP INDUSTRIES LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

**A. EQUITY SHARE CAPITAL**

**1 FOR THE YEAR ENDED 31 MARCH 2020**

BALANCE AS AT 01 APRIL 2019	3,20,23,500.00
CHANGES DURING THE YEAR	-
BALANCE AS AT 31 MARCH 2020	3,20,23,500.00

**2 FOR THE YEAR ENDED 31 MARCH 2019**

BALANCE AS AT 01 APRIL 2018	3,20,23,500.00
CHANGES DURING THE YEAR (Shares Issued)	-
BALANCE AS AT 31 MARCH 2019	3,20,23,500.00

**B. OTHER EQUITY**

**1 FOR THE YEAR ENDED 31 MARCH 2020**

PARTICULARS	RESERVE & SURPLUS				TOTAL	NON CONTROLLING INTEREST	TOTAL EQUITY
	CAPITAL RESERVE	SECURITIES PREMIUM	GENERAL RESERVE	RETAINED EARNING			
BALANCE AS ON 01 APRIL 2019	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,13,19,25,656.59	1,17,06,84,178.59	(58,707.00)	1,17,06,25,471.59
PROFIT FOR THE YEAR	-	-	-	(4,13,35,483.23)	(4,13,35,483.23)	(1,22,591.00)	(4,14,58,074.23)
CHANGE DUE TO ACCOUNTING POLICY	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	(3,75,257.00)	(3,75,257.00)	-	(3,75,257.00)
Tax Adjustments	-	-	-	(11,54,038.65)	(11,54,038.65)	-	(11,54,038.65)
TRANSFER TO RETAINED EARNING	-	-	-	-	-	-	-
ANY OTHER CHANGES	-	-	-	-	-	-	-
BALANCE AS ON 31 MARCH 2020	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,08,90,60,877.71	1,12,78,19,399.71	(1,81,298.00)	1,12,76,38,101.71

**2 FOR THE YEAR ENDED 31 MARCH 2019**

PARTICULARS	RESERVE & SURPLUS				TOTAL	NON CONTROLLING INTEREST	TOTAL EQUITY
	CAPITAL RESERVE	SECURITIES PREMIUM	GENERAL RESERVE	RETAINED EARNING			
BALANCE AS ON 01 APRIL 2018	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,06,39,75,313.30	1,10,27,33,835.30	(50,225.00)	1,10,26,83,610.30
PROFIT FOR THE YEAR	-	-	-	6,57,13,155.70	6,57,13,155.70	(8,482.00)	6,57,04,673.70
CHANGE IN ACCOUNTING POLICY	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	-	1,86,567.60	1,86,567.60	-	1,86,567.60
Tax Adjustments	-	-	-	20,50,620.00	20,50,620.00	-	20,50,620.00
Adjustments for Gratuity Provision	-	-	-	-	-	-	-
ANY OTHER CHANGES	-	-	-	-	-	-	-
BALANCE AS ON 31 MARCH 2019	2,21,29,621.00	1,54,29,900.00	11,99,001.00	1,13,19,25,656.59	1,17,06,84,178.59	(58,707.00)	1,17,06,25,471.59

FOR SUNIT GUPTA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014237N

Director  
(S.P. Bansal)  
DIN-00178378

Director  
(Gautam Bansal)  
DIN-02275574

CA. SUNIT GUPTA  
PARTNER  
M NO. : 091453

Note no 5: Fixed Assets

Fixed Assets	Building	Plant & Machinery	Vehicles	Furniture	Land & Land Dev.	Factory Equipment	Computers	Office Equipment	Total
<b>Gross Carrying Value</b>									
Cost as on 1st April 2018 (A)	12,78,75,032.00	1,43,34,42,877.00	3,14,30,634.00	34,77,075.00	6,64,49,135.00	2,11,95,009.00	14,96,380.00	16,60,002.00	1,68,70,26,144.00
Additions:	15,20,84,066.00	88,56,98,989.00	-	8,00,535.00	4,80,59,636.00	5,20,73,856.00	1,49,827.00	1,62,792.00	1,13,90,29,701.00
Deductions:	-	34,14,336.00	-	-	-	-	-	-	34,14,336.00
As at 31st March 2019 (B)	27,99,59,098.00	2,31,57,27,530.00	3,14,30,634.00	42,77,610.00	11,45,08,771.00	7,32,68,865.00	16,46,207.00	18,22,794.00	2,82,26,41,509.00
Additions:	64,20,217.00	7,89,75,675.00	72,112.00	38,700.00	-	1,20,44,959.00	3,75,403.00	97,255.00	9,80,24,321.00
Deductions:	-	8,05,000.00	-	-	-	-	-	-	8,05,000.00
As at 31st March 2020 (C.)	28,63,79,315.00	2,39,38,98,205.00	3,15,02,746.00	43,16,310.00	11,45,08,771.00	8,53,13,824.00	20,21,610.00	19,20,049.00	2,91,98,60,830.00
<b>Accumulated Depreciation and Impairment</b>									
Accumulated Depreciation as on 1st April 2018 (D)	3,28,37,807.00	1,05,09,08,141.00	2,24,11,991.00	10,38,538.00	-	1,27,94,200.00	13,03,034.00	4,61,612.00	1,12,17,55,323.00
Add: Depreciation for the year	66,37,881.00	11,84,27,216.00	23,13,537.00	4,75,803.00	-	34,70,760.00	1,15,871.00	1,07,081.00	13,15,48,149.00
Deductions:	-	-	-	-	-	-	(11,071.00)	-	(11,071.00)
As at 31st March 2019 (E.)	3,94,75,688.00	1,16,93,35,357.00	2,47,25,528.00	15,14,341.00	-	1,62,64,960.00	14,07,834.00	5,68,693.00	1,25,33,14,543.00
Add: Depreciation for the year	1,32,15,482.00	25,53,25,475.00	15,31,274.00	4,72,894.00	-	91,25,357.00	2,12,977.00	89,236.00	27,99,72,695.00
Tfrd. To Retained Earnings:	-	-	(4,76,695.00)	(7,993.00)	-	-	(7,190.00)	-	(4,91,878.00)
Deductions:	-	(1,29,956.00)	-	-	-	-	-	-	(1,29,956.00)
As at 31st March 2020 (F)	5,26,91,170.00	1,42,45,30,876.00	2,57,80,107.00	19,79,242.00	-	2,53,90,317.00	16,13,621.00	6,57,929.00	1,53,26,43,262.00
<b>Net Carrying Value</b>									
As at 31st March 2020 (C-F)	23,36,88,145.00	96,93,67,329.00	57,22,639.00	23,37,068.00	11,45,08,771.00	5,99,23,507.00	4,07,989.00	12,62,120.00	1,38,72,17,568.00
As at 31st March 2019 (B-D)	24,04,83,410.00	1,14,63,92,173.00	67,05,106.00	27,63,269.00	11,45,08,771.00	5,70,03,905.00	2,38,373.00	12,54,101.00	1,56,93,49,108.00

**Note no 6 : Capital Work in Progress**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Work in Progress - Indapur Unit	5,79,697.60	-
Capital Work in Progress - Kurkumbh Unit	-	-
<b>Total</b>	<b>5,79,698.00</b>	<b>-</b>

**Note no 7 : Financial Assets****a. Investments**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Non Current Investments</u></b>		
<b>Investment in Equity Shares</b>		
Sudarshan Jeans (P.) Ltd (201900 equity shares; Rs. 100 each)	2,01,90,000.00	2,01,90,000.00
Sudarshan Jeans (P.) Ltd (40000 equity shares; Rs. 980 each)	3,92,00,000.00	3,92,00,000.00
<b>Investments in Mutual funds</b>		
Baroda Pioneer PSU equity fund- Growth	-	2,00,000.00
<b>Total</b>	<b>5,93,90,000.00</b>	<b>5,95,90,000.00</b>

**b. Loans and Advances**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Non Current Loans</u></b>		
Loans and advances to related parties	(41,89,930.00)	19,96,38,081.00
<b>Total</b>	<b>(41,89,930.00)</b>	<b>19,96,38,081.00</b>
<b><u>Current Loans</u></b>		
Other Advances	2,25,70,544.00	1,16,53,231.00
<b>Total</b>	<b>2,25,70,544.00</b>	<b>1,16,53,231.00</b>

**c. Other Financial Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Other Non Current Financial Assets</u></b>		
Security Deposits	4,90,06,539.00	4,90,06,539.00
Other Deposits	4,63,299.00	4,05,896.00
<b>Total</b>	<b>4,94,69,838.00</b>	<b>4,94,12,435.00</b>

**d. Trade Receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Non Current Trade Receivables</u></b>		
Considered Good-Unsecured	-	2,80,735.00
Considered Good-Secured	-	-
Having significant increase in credit risk	-	-
Credit Impaired	-	-
<b>Total</b>	<b>-</b>	<b>2,80,735.00</b>

**Current Trade Receivables**

Considered Good-Unsecured	41,35,33,161.00	32,59,95,653.00
Considered Good-Secured	-	-
Having significant increase in credit risk	-	-
Credit Impaired	-	-
<b>Total</b>	<b>41,35,33,161.00</b>	<b>32,59,95,653.00</b>

**e. Cash & Cash Equivalent**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Cash &amp; Cash Equivalent</u></b>		
Cash in Hand	12,64,846.00	6,03,016.00
Cash in Bank	2,01,62,607.00	63,12,274.00
Bank Deposits	-	1,48,46,747.00
<b>Total</b>	<b>2,14,27,453.00</b>	<b>2,17,62,037.00</b>

**Note no 9 : Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Inventories at cost</u></b>		
Raw Material	10,46,68,265.00	6,82,09,438.00
Stock in Progress	4,54,22,832.00	2,29,67,411.00
Consumable Stocks	1,23,24,073.00	1,28,66,169.00
<b><u>Inventories at cost or net realizable value whichever is lower</u></b>		
Finished Goods	9,15,05,800.00	6,89,62,606.00
<b>Total</b>	<b>25,39,20,970.00</b>	<b>17,30,05,624.00</b>

**Note no 10a : Other Non Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Other Non Current Assets</u></b>		
Advance to Supplier for Fixed Assets	84,81,188.00	65,91,526.00
<b>Total</b>	<b>84,81,188.00</b>	<b>65,91,526.00</b>

**Note no 10b : Other Current Assets**

Particulars	As at March 31, 2020	As at March 31, 2019
<b><u>Other Current Assets</u></b>		
Advance to suppliers	7,95,244.00	1,06,38,100.00
Prepaid Expenses	34,56,646.00	13,05,654.00
TUFS Receivables	12,78,002.00	32,68,002.00
GST Refund Receivables	32,21,660.00	4,57,41,197.00
Accrued Interest	30,92,212.00	22,61,474.00
GST Recoverable	4,03,43,422.00	2,52,13,914.00
Reverse Charge Tax Recoverable	-	40,759.00
MSEDCL Security Interest Receivable	20,63,725.00	4,99,867.00
MSEDCL Rate Reduction Benefit Receivable	-	37,70,040.00
Service Tax Receivable	-	2,77,865.00
Duty drawback Receivable	88,298.00	-
Income-tax Refund receivable	1,11,64,884.00	-
MAT Credit	90,90,459.00	-
Deposits with Banks (Margin Money)	1,48,46,747.00	-
Staff Imprests & Advances	1,27,359.00	2,71,110.00
Advance Rent	-	5,000.00
<b>Total</b>	<b>8,95,68,658.00</b>	<b>9,32,92,982.00</b>

**Note no 11 : Equity Share Capital**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorized share capital</b>		
Equity Share of Rs. 10 each	10,50,00,000.00	10,50,00,000.00
<b>Issued &amp; Subscribed share capital</b>		
Equity Share of Rs. 10 each	5,50,70,000.00	5,50,70,000.00
<b>Paid Up share capital</b>		
Equity Share of Rs. 10 each	3,20,23,500.00	3,20,23,500.00

**\* Disclosure pursuant to Para 6D(1)(d) of Division II of Schedule-III to Companies Act, 2013****Reconciliation of share outstanding at the beginning and end of reporting year**

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
<b>At the beginning of year</b>	32,02,350	3,20,23,500.00	32,02,350	3,20,23,500.00
Add: Shares Alloted	-	-	-	-
Add: Shares Forfeited	-	-	-	-
<b>Outstanding at end of year</b>	<b>32,02,350</b>	<b>3,20,23,500.00</b>	<b>32,02,350</b>	<b>3,20,23,500.00</b>

**\* Disclosure pursuant to Para 6D(1)(e) of Division II of Schedule-III to Companies Act, 2013**

All the equity shares have voting rights and no other restrictions are attached to them

**\* Disclosure pursuant to Para 6D(1)(f) of Division II of Schedule-III to Companies Act, 2013**

No single share in company is held by any holding company or its ultimate holding company or by subsidiary or associate of holding company.

**\* Disclosure pursuant to Para 6D(1)(g) of Division II of Schedule-III to Companies Act, 2013**

The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% held	No. of Shares	% held
Sh. Sudarshan Paul Bansal	11,21,715	35.03%	11,21,715	35.03%
Smt Sunita Bansal	5,44,110	16.99%	5,44,110	16.99%
Sh. Gautam Bansal	2,06,400	6.45%	2,06,400	6.45%
Sh. Sidharth Bansal	2,42,250	7.56%	2,42,250	7.56%

**\* Disclosure pursuant to Para 6D(1)(h) of Division II of Schedule-III to Companies Act, 2013**

There are no share reserved for the issue under options and contract/commitment for sale of shares or disinvestment.

**\* Disclosure pursuant to Para 6D(1)(i) of Division II of Schedule-III to Companies Act, 2013**

There is no share allotted pursuant to contract (s) without payment being received in cash or bonus share and no bought back of share during the last five year immediately preceding the date at which the balance sheet is prepared.

**\* Disclosure pursuant to Para 6D(1)(j) of Division II of Schedule-III to Companies Act, 2013**

There are no securities convertible into equity/preference shares.

**\* Disclosure pursuant to Para 6D(1)(k) of Division II of Schedule-III to Companies Act, 2013**

There is no call unpaid by directors , officer or other as on Balance Sheet Date.

**\* Disclosure pursuant to Para 6D(1)(l) of Division II of Schedule-III to Companies Act, 2013**

There is no forfeiture of shares during the year

**Note no 13 : Financial Liabilities****a. Borrowings**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non Current Borrowings</b>		
<b>Term Loans &amp; Others from Bank</b>		
HDFC Bank Ltd	43,44,86,940.00	54,93,17,187.00
LBBW TL, Amarawati	8,53,44,321.00	10,62,44,348.00
Bank of Baroda	-	-
Punjab National Bank	-	-
ICICI Bank	-	-
<b>Long Term Maturity of Finance Lease Obligations</b>		
<b>Unsecured Loans</b>	<b>2,58,25,586.00</b>	<b>7,70,24,996.00</b>
<b>Loans and Advances from Related Parties</b>	<b>46,48,688.00</b>	<b>20,18,002.00</b>
<b>Total</b>	<b>55,03,05,535.00</b>	<b>73,46,04,533.00</b>

**\* Disclosure pursuant to Para 6E(1)(ii) of Division II of Schedule-III to Companies Act, 2013****Nature of Security:-**

- Term Loans from Bank of Baroda is secured by Hypothecation of Plant & Machinery. First charge on factory land, building, plant & machinery and personal guarantee of the directors.
- Term Loans from Bank of Baroda for Denim unit at Shambhu is secured by Hypothecation of Plant & Machinery & First charge on factory land, building, plant & machinery of units at Shambhu and personal guarantee of the directors.
- Term Loans from Punjab National Bank is secured by Hypothecation of Plant & Machinery & First Charge on factory land, building plant & machinery of terry towel unit at kolhapur and personal guarantee of the directors.
- Vehicle/car loan are secured against hypothecation of respective vehicle.
- Term Loan from HDFC Bank is secured by Hypothecation of Plant & Machinery. First charge on factory land, building, plant & machinery and personal guarantee of the directors.
- Term Loan from LBBW is a Foreign Currency Loan and is secured by Hypothecation of Plant & Machinery.

**\* Disclosure pursuant to Para 6E(1)(vi) of Division II of Schedule-III to Companies Act, 2013**

**Terms of Repayment:-**

- Term Loans from Bank of Baroda is repayable installment on half yearly on monthly basis.
- Vehicle loans are repayable monthly.
- Maturity Profile of Bank Loans are as under:-

Particulars	Maturity Profile (Rs. in Lacs)		
	2020-21	2021-22	2022-23
LBBW Term Loan (Amravati)	283.88	283.88	283.88
HDFC Term Loan (Amravati)	774.41	774.41	774.41
Term Loan from HDFC Bank 1	265.20	265.20	265.20
Term Loan from HDFC Bank 2	20.64	20.64	20.64
HDFC Car /Vehicle loans	0.00	0.00	0.00

-There is no continuing default as on balance sheet date regarding repayment of loans and interest as the company is regularly repaying all loans and interest thereon within stipulated time.

Details of Long Term borrowings guaranteed by some of the directors or others:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term Loans (Secured)</b>		
- From Banks (Secured)	51,98,31,261.00	65,55,61,535.00
- From Others Parties		

**Current Borrowings**

**Loan Repayable on Demands from Banks**

Bank of Baroda	8,99,46,114.00	11,77,34,487.00
HDFC	6,66,44,791.00	8,62,70,814.00
PNB	1,96,33,804.00	5,10,82,730.00

**Other Short Term Borrowings**

1,93,30,000.00 1,93,30,000.00

**Bank Overdrafts**

PNB	20,83,168.00	58,70,124.00
HDFC	15,95,573.00	65,44,693.00

**Total** 19,92,33,450.00 28,68,32,848.00

**\* Disclosure pursuant to Para 6F(1)(ii) of Division II of Schedule-III to Companies Act, 2013**

Working Capital Loan from Bank of Baroda is secured by hypothecation of stock of inventories & Book debts of Shambhu Unit and on the personal guarantee of directors and second charge on on the factory land, building and machinery at Shambhu.

Working Capital Loan from Punjab National Bank is secured by hypothecation of stock of inventories & Book debts of terry towel unit and on the personal guarantee of directors and first charge on the factory land, building and machinery of Terry Towel Unit at Kolhapur.

Working Capital Loan from HDFC Bank is secured by hypothecation of stock of inventories & Book debts of Amravati unit and on the personal guarantee of directors and first charge on the factory land, building and machinery of Terry Towel Unit at Kolhapur.

Details of Short Term borrowings guaranteed by some of the directors or others:

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Loan Repayable on Demand</b>		
- From Banks (Secured)	17,99,03,450.00	26,75,02,848.00
- From Others Parties		

**b. Trade Payables**

Particulars	As at March 31, 2020	As at March 31, 2019
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**\*Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Company.

**Total outstanding dues of micro enterprises and small enterprises**

-The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
-The interest due thereon remaining unpaid to any supplier at the end of year;	-	-
-The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
-The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**Total outstanding dues of creditors other than micro enterprises and small enterprises**

**Current Trade Payable**

Trade Creditors	14,56,89,236.58	8,79,72,567.00
Sundry Creditors	1,66,08,232.00	1,25,69,421.00

**Total** 16,22,97,469.00 10,05,41,988.00



**c. Other Financial Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Current Maturities of Long term debt	10,58,65,055.00	6,45,99,627.00
Term Loan	2,65,27,704.00	2,85,93,559.00
Finance Lease	20,65,848.00	20,65,752.00
<b>Total</b>	<b>13,44,58,607.00</b>	<b>9,52,58,938.00</b>

**Note no 14: Provisions**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a. Non Current; Long Term</b>		
Provision for Gratuity	76,90,285.00	51,06,524.00
<b>Total</b>	<b>76,90,285.00</b>	<b>51,06,524.00</b>
<b>b. Current; Short Term</b>		
Current provision of gratuity	1,44,655.00	1,30,673.00
Expenses Payable	3,04,06,281.00	2,50,28,361.00
Provision for CSR Expenses	21,30,978.00	54,40,788.00
Professional Fees Payable	-	90,475.00
<b>Total</b>	<b>3,26,81,914.00</b>	<b>3,06,90,297.00</b>

**Note no 15 : Current Tax Liabilities/(Assets) (Net)**

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Taxes	1,33,08,625.60	1,70,93,633.40
Less: Advance Taxes and TDS	(2,01,10,811.00)	(4,29,34,436.00)
<b>Total</b>	<b>(68,02,185.40)</b>	<b>(2,58,40,802.60)</b>

**Note no 16 : Other Current Liabilities**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Other Current Liabilities</b>		
Against Capital Goods	16,30,296.00	57,82,782.00
Advances from Customer	53,25,221.00	62,56,782.00
Statutory Dues	32,83,449.00	47,09,904.00
Other Current Liabilities	63,329.00	
<b>Total</b>	<b>1,03,02,295.00</b>	<b>1,67,49,468.00</b>

**Note No 12 : Other Equity**

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserves	2,21,29,621.00	2,21,29,621.00
Securities Premium	1,54,29,900.00	1,54,29,900.00
General Reserve	11,99,001.00	11,99,001.00
Surplus/ Retained Earnings	1,12,02,79,758.95	1,16,31,44,537.83
Retained Earnings		
Opening Balance	1,16,31,44,537.83	1,09,51,94,194.53
Add: Profit for the year	(4,13,35,483.23)	6,57,13,155.70
Add: Tax Adjustments	(11,54,038.65)	20,50,620.00
Add: Adjustment for Gratuity Provision	-	-
Add: Transfer from OCI	(3,75,257.00)	1,86,567.60
	1,12,02,79,758.95	1,16,31,44,537.83
Total	1,15,90,38,280.95	1,20,19,03,059.83

**Note no 17: Revenue from Operations**

Particulars	2019-20	2018-19
Sales of Product	3,42,83,90,031.00	2,75,36,59,813.00
Jobwork Income (excluding taxes & cash discount)	22,03,73,772.00	20,68,90,604.00
Other Operating Income		
Miscellaneous Sales	36,37,004.00	39,77,877.00
Scrap Sales	2,01,095.00	4,40,015.00
<b>Total</b>	<b>3,65,26,01,902.00</b>	<b>2,96,49,68,309.00</b>

**Note no 18: Other Income**

Particulars	2019-20	2018-19
Interest Income	47,11,245.00	35,48,843.00
Miscellaneous Income	20,27,920.00	2,68,73,771.00
Expenses Reimbursement by CEAT	27,000.00	4,75,258.00
<b>Total</b>	<b>67,66,165.00</b>	<b>3,08,97,872.00</b>

**Note no 19: Cost of Raw Material Consumed**

Particulars	2019-20	2018-19
Stock at the beginning of year	6,87,07,654.00	5,70,01,366.00
Add: Purchases	2,53,27,96,380.00	1,92,23,44,224.00
	2,60,15,04,034.00	1,97,93,45,590.00
Less: Inventory at the end of year'	(10,53,12,291.00)	(6,87,07,654.00)
<b>Total</b>	<b>2,49,61,91,743.00</b>	<b>1,91,06,37,936.00</b>

**Note no 20: Changes in inventories of finished goods & work in progress**

Particulars	2019-20	2018-19
Stock at the end of year	13,69,28,633.00	9,19,30,018.00
Stock at the beginning of year	9,19,30,018.00	15,89,33,285.00
<b>(Increase)/ Decrease in Inventories</b>	<b>(4,49,98,615.00)</b>	<b>6,70,03,267.00</b>

**Note no 21: Employee Benefit Expenses**

Particulars	2019-20	2018-19
Salary & Wages	22,99,79,798.00	15,12,77,028.00
Contribution to Provident Funds	58,25,613.00	51,22,250.00
Contribution to Employee State Insurance	18,85,701.00	23,42,506.00
Staff & Labour welfare	81,18,551.00	62,91,640.00
Bonus	70,17,797.00	65,16,276.00
	25,28,27,460.00	17,15,49,700.00
Director's Remuneration & Expenses	2,12,00,000.00	2,21,25,000.00
Gratuity Expenses	20,77,852.00	16,60,867.00
<b>Total</b>	<b>27,61,05,312.00</b>	<b>19,53,35,567.00</b>

**Note no 22: Finance Cost**

Particulars	2019-20	2018-19
Interest Expenses	8,89,71,162.00	4,35,80,027.00
Bank Charges	13,23,258.00	14,22,804.00
<b>Total</b>	<b>9,02,94,420.00</b>	<b>4,50,02,831.00</b>

**Note no 23: Other Expenses**

Particulars	2019-20	2018-19
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**A. Direct Production Expenses**

Packing Materials	2,12,26,670.00	1,16,88,638.00
Water Charges	30,87,541.00	27,53,384.00
Boiler Maintenance	8,17,352.00	32,565.00
Generator Running & Maintenance	14,63,982.00	14,51,407.00
Machineries & Other Repairs & Maintenance	3,58,91,841.00	3,37,92,585.00
Building Repairs	27,23,525.00	12,86,256.00
Stores, Tools & Chemical Consumed	8,61,75,211.00	9,64,26,109.00
Power & Fuel	35,47,35,219.00	29,44,13,808.00
	<b>50,61,21,341.00</b>	<b>44,18,44,752.00</b>

**B. Administrative Expenses**

Printing & Stationery	7,16,008.00	5,37,137.00
Insurance	22,56,216.00	11,09,698.00
General Expenses	3,56,93,007.00	4,47,59,668.00
Legal & Professional Charges	35,60,655.00	21,24,722.00
Charity & Donation	7,81,340.00	7,07,619.00
Fees and Taxes	10,12,864.00	2,72,053.00
Board Meeting Fees	21,000.00	21,000.00
Rent	1,29,66,786.00	86,39,334.00
Postage & Telegram	3,53,462.00	2,96,832.00
Travelling & Conveyance	10,07,024.00	12,24,815.00
Advertisement & Publicity	15,000.00	17,500.00
Telephone Expenses	3,39,979.00	2,83,099.00
Fire Fighting Expenses	23,380.00	2,74,153.00
Material Rejection Costs		10,98,750.00
License Fees	11,35,362.00	12,42,070.00
Office Expenses	4,50,194.00	3,36,627.00
Other Maintenance & Repairs	23,50,561.00	8,33,415.00
Security Charges	19,46,179.00	12,68,459.00
Other Expenses	10,42,628.00	61,10,906.00
	<b>6,56,71,645.00</b>	<b>7,11,57,857.00</b>

**C. Audit Fees**

Audit Fees	3,67,000.00	3,06,200.00
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**D. Selling & Distribution Expenses**

Freight, Octroi & Carriage	2,01,86,244.00	80,80,426.00
Brokerage Expenses	91,06,478.00	47,32,028.00
Duties, Cess & Taxes Paid	5,63,183.00	11,40,046.00
Penalties	-	10,000.00
	<b>2,98,55,905.00</b>	<b>1,39,62,500.00</b>

<b>Total (A+B+C+D)</b>	<b>60,20,15,891.00</b>	<b>52,72,71,309.00</b>
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**Note no 24: Exceptional Items**

Particulars	2019-20	2018-19
Loss/(Profit) on Sale of Fixed Assets	1,75,044.00	-
<b>Total</b>	<b>1,75,044.00</b>	<b>-</b>

**Note no 25: Other Comprehensive Income**

Particulars	2019-20	2018-19
Re-measurement gains/(losses) on defined gratuity plan	(5,19,891.00)	2,86,780.00
Income Tax Effect	1,44,634.00	(1,00,212.40)
<b>Total</b>	<b>(3,75,257.00)</b>	<b>1,86,567.60</b>

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### 1.0 Corporate Information

Partap Industries Limited is a Public Limited Company incorporated and domiciled in India having its registered office at Village Beoprur, Tehsil Rajpura, District Patiala in the state of Punjab. Company has manufacturing locations at Rajpura (Punjab), Kolhapur (Maharashtra), and Amravati (Maharashtra). Company is primarily in to manufacturing of Cotton Yarn, Denim Fabric& Terry Towel.

### 2.0 Statement of Compliance and Basis of Preparation

#### 2.1 Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended March 31, 2018, the Group prepared its consolidated financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These consolidated financial statements for the year ended March 31, 2020 are the financial consolidated statements that the Group has prepared in accordance with Ind AS.

#### 2.2 Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

#### 2.3 Principles of Consolidation and equity accounting

##### i. Subsidiaries

The Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

### 3.0 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2017 being the date of transition to Ind AS:

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### 3.1 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in
- the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 3.2 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2017. As such Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business combinations between entities under common control are accounted for at carrying value.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing



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present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed.

### **3.3 Use of estimates and judgements**

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

The said estimates are based on the facts and events, that existed asat the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### **3.4 Fair value measurement**

The Group measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or Transfer the liability takes place either:

- In the principal market for the asset or liability; Or,

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- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### **3.5 Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

#### **Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

#### **Depreciation**

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to measure all items of property, plant and equipment at fair value as at April 1, 2017 and used that fair value as deemed cost of the property, plant and equipment.

### 3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Transition to Ind AS

For arrangements entered into prior to April 01, 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

### 3.7 Inventories

Inventories of Raw material, Work-in-progress, finished goods and Stock-in-trade are valued at the lower of cost and net realizable value. However, Raw material 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

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- Finished goods and work in progress: cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realizable value. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **3.8 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine

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the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### **3.9 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

#### **a. Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

#### **b. Interest income**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### **c. Profit or loss on sale of Investments**

Profit or Loss on sale of investments is recorded on transfer of title from the Group, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

### **3.10 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **A. Financial assets**

#### **i. Initial recognition and measurement of financial assets**

All financial assets, except investment in subsidiaries and joint ventures, are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### **ii. Subsequent measurement of financial assets**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **a. Financial assets at amortized cost:**

A financial asset is measured at amortized cost if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

##### **b. Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gains or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial assets is reported as interest income using the EIR method.

### **c. Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL. After initial measurement, such financial assets are subsequently measured at fair value with all changes recognized in Statement of profit and loss.

### **d. Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **iii. Derecognition of financial assets**

A financial asset is derecognised when:

- The contractual rights to the cash flows from the financial asset expire,  
or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards

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of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### **iv. Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortized Cost	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as

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		if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

### **v. Impairment of financial assets**

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

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ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### **B. Financial Liabilities**

#### **i. Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

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The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts etc.

### **ii. Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

#### **a. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

#### **b. Loans and Borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

### **iii. Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is

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treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

### **C. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **3.11 Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### **3.12 Taxes**

Tax expense comprises of current income tax and deferred tax.

##### **i. Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss. Current income tax are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **ii. Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside Statement of profit and loss is recognized outside Statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

### **3.13 Employee Benefits**

#### **a. Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognized in the period in which the employee renders the related service.

#### **b. Post-Employment Benefits: Defined Benefit Plans**

The employee's gratuity fund scheme schemes is Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on management calculation as per Ind-AS 19 using the Projected Unit Credit Method as at the date of the Balance sheet. Company has not obtained actuarial valuation in this regard. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

However, subsidiary company i.e. Sudarshan Auto industries Private Limited, do not pays any gratuity to the employees who have completed five years of service with the company at the time of resignation/superannuation. No such short term/ long term provisions are made, nor does any of such mechanism exist for provisions of gratuity as per the Payment of Gratuity Act, 1972.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### **3.14 Earnings per share**

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Calculation of Weighted Average Number of Equity Shares of Rs. 10 each

(Rs. In Lacs)			
Particulars	Unit	Year Ended 31.03.2020	Year Ended 31.03.2019
Net Profit as attributable to Equity shareholder (A)	Rupees	-415.64	659.00
Weighted average Number of Equity Share outstanding during the year (B)	Numbers	3202350	3202350
Earnings Per Share (Basic & Diluted) (A/B)	Rupees	-12.98	20.58
Nominal value per share	Rupees	10	10

### 3.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 4.0 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **4.1 Estimates and assumption**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **a. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

#### **b. Taxes**

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### **c. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### 4.2 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

### 4.3 Contingent Liabilities / Assets :-

Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable. Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

As certified by management and explanation made available by management, No such contingent liabilities are required to be provided for.

### 4.4 COVID Impact 2019 on the Group

The Rapid outbreak of COVID 19 presents an alarming health crisis that overall world is grappling with. The Impact of COVID 19 pandemic are unfolding in real time. The COVID 19 outbreak has already has significant effect on economics of affected countries and international financial markets. The impact of outbreak on the Group's accounting & financial reporting is evaluated by management as under -:

- At present, Group's operations are not much exposed to the impacts of the outbreaks except facing various restrictions and reservations such as
  - Labour migration resulting into disturbances of smooth running of commercial manufacturing / Job-work
  - Financial health of suppliers and customers
  - Availability of raw material at predetermined prices
  - Potential source of replacement of financing
  - Government assistance
  - Travel ban restrictions
  - Increase in the heavy cost of the overall logistics and restriction on material movement due to lockdown

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

- After critical evaluation of impact of current events and conditions which have on Group's operations and forecasted cash flows, close call by management is that Group is still have sufficient liquidity to meet its obligations as they fall due.
- All the future budget and forecasts which are used to support the management's initial going concern assessment, may not be impacted and It may not require any significant revision to support management's assessment in the current environment considering the overall commercial operations of the Group.

### **Other notes to the Consolidated Financial Statements for the year ended 31st March, 2020**

#### **5.0 Other Disclosures**

##### **5.1 Segment Reporting"**

The company is engaged in three manufacturing activities having forward integration. Following are the broad disclosure under this head:

(Amount in Lacs)

<b>PARTICULARS</b>	<b>SPINNING UNIT</b>	<b>DENIM UNIT</b>	<b>TERRY TOWEL UNIT</b>	<b>RING SPINNING UNIT</b>	<b>JOB WORK (TYRES)</b>
Geographical Location	Kolhapur (MH)	Rajpura (Punjab)	Kolhapur (MH)	Amravati (MH)	Kagal+Kurkumbh(MH)
Product Manufactured	Cotton Yarn	Denim Fabric	Terry Towel	Cotton Yarn	Job work (Tyres)
Segment Fixed Assets as on 31.03.2020 (WDV)	962.08	1334.48	1416.84	6521.37	3637.41
Segment Fixed Assets purchased During the year	0.00	6.09	0.00	316.52	657.64
Segment Term Liability as on 31.03.2020	0.00	0.00	0.00	5007.58	1501.15
Segment Revenue for the year ending on 31.03.2020	4242.34	11120.39	9790.89	9166.65	2253.74
Segment Allocable Net Profit Earned for the year ending on 31.03.2020	(30.21)	72.08	1047.78	(543.86)	(984.54)
Segment	140.17	133.92	250.42	1164.75	1105.55

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Depreciation for the year ending on 31.03.2020					
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### 5.2 Transaction with Related parties during the year:

a) Transaction made during the year (Rs. in Lacs)

Sr. No.	Nature Of transactions	Subsidiary/Holding	Associates	Key Mgt. Personnel	Others	Total
1	Sale of Fixed Assets	5.00	-	-	-	5.00
2	Purchase of Fixed Assets	5.84	-	-	-	5.84
3	Sales Cotton/Cotton Waste Waste/PSF	-	373.87	-	-	373.87
4	Sales Yarn	-	4122.81	-	-	4122.81
5	Sales Terry Towel	-	2518.23	-	-	2518.23
6	Sales Bed Sheet	-	23.50	-	-	23.50
7	Sales Chemicals	-	0.78	-	-	0.78
8	Sales Others	-	18.47	-	-	18.47
9	Purchases Cotton/Cotton Waste Waste/PSF	-	2249.89	-	-	2249.89
10	Purchases Yarn	-	8960.53	-	-	8960.53
11	Purchases Terry Towel	-	8.98	-	-	8.98
12	Purchases Chemicals	-	138.40	-	-	138.40
13	Purchases Others	-	18.60	-	-	18.60
14	Remuneration to Directors	-	-	212.00	26.76	238.76
15	Current Account Transactions	-	922.87	-	-	922.87
16	Operating Lease Charges	-	1.00	-	-	1.00

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

\*Investment in subsidiary or associates concerns was made in earlier year; no fresh Investment has been made in the current year.

### 5.3 Balance due to or due from Related Parties as on 31.03.2020.

<u>PARTICULARS</u>	<u>AMOUNT</u>
<u>Advances Given:-</u>	
- Sudarshan Auto Industries Pvt. 27,79,00,333.00 Dr.	
- Partap Extraction Ltd. 41,89,930.00 Cr.	
<u>Deposit From Director's:-</u>	
- Sh. Siddharth Bansal 24,19,978.00 Cr.	
- Smt. Sunita Bansal 22,28,710.00 Cr.	
<u>Investment in:-</u>	
- M/s Sudarshan Auto Industries (P) Ltd 7,99,00,000.00 (799000 Equity Shares of Rs. 100/- each)	
- M/s Sudarshan Auto Industries (P) Ltd 12,00,00,000.00 (1200000 Equity Shares of Rs. 100/- each)	
- Sudarshan Jeans (P) Ltd., Kolhapur 2,01,90,000.00 (201900 Equity Shares of Rs. 100/- each)	
- Sudarshan Jeans (P) Ltd., Kolhapur 3,92,00,000.00 (40000 Equity Shares of Rs. 980/- each)	

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

**5.4** The detail of amount outstanding to micro, small and medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the company are as under:-

(Rs. in Lacs)			
Sr. No.	Particulars	Current Year	Previous Year
1	Principal amount due and remaining repaid*	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year.	-	-
5	Interest due and payable for the period of delay other than (3)	-	-
6	Interest accrued and remaining unpaid.	-	-
7	Amount of further interest remaining due and payable in succeeding year.	-	-

**5.5 Form AOC-I: Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures:-**

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

(In Lacs)

<b>Name of the Subsidiary Company</b>	Sudarshan Auto Industries Private Limited
<b>The date since when subsidiary was acquired</b>	
<b>Financial Year ending on</b>	31 <sup>st</sup> March 2020
<b>Reporting Currency</b>	Indian Rupee
<b>Exchange Rate on the last day of the financial year</b>	-
<b>Share Capital</b>	800.00
<b>Reserves &amp; Surplus</b>	(2225.18)
<b>Total Assets</b>	4231.37
<b>Total Liabilities</b>	4231.37
<b>Investments (excluding Investments made in subsidiaries)</b>	1.63
<b>Turnover</b>	2253.74
<b>Profit/(Loss) before tax</b>	(1100.23)
<b>Provision for tax</b>	115.68
<b>Profit/(Loss) after tax</b>	(984.54)
<b>Proposed Dividend</b>	-

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

<b>% of shareholding</b>	99.87%
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### 5.6 Additional information pursuant to the Part-I Schedule – III of the Companies Act, 2013:-

- a) CONTINGENT LIABILITIES & COMMITMENTS pursuant to the provision of Para T of the Part-1 of Schedule III of the Companies Act, 2013:-

#### CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR):-

Particulars	Current Year	Previous Year
Claim against the company not acknowledged as debts	Nil	Nil
Guarantee given for loan taken by M/s Sudarshan Jeans Pvt Ltd, Kolhapur	Nil	Nil
Indemnity Bond given to Commissioner of Customs, Ludhiana for import of Capital Goods	Rs. 1720 Lacs	Rs. 1720 Lacs

#### COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):-

Particulars	Current Year	Previous Year
Estimated amount of contracts remaining to be executed on capacity account not provided for	Nil	Nil
Uncalled liabilities on shares & other investments partly paid	Nil	Nil
Other Commitments	Nil	Nil

- b) No Dividend is proposed to be distributed to equity shareholder for the period .Hence disclosure pursuant to Para-U of the Part-1 of Schedule III of the Companies Act, 2013 not applicable.
- c) No issue of securities is made during the year, therefore disclosure pursuant to Para-V of the Part-1 of Schedule III of the Companies Act, 2013 not applicable.



## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

### 5.7 Additional information pursuant to the provision of Para 5(i) of Part-II Schedule – III of the Companies Act, 2013:-

a) Details of Auditors Remuneration [Clause (j) of Para 5(i)] :

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Audit Fees	130000.00	137000.00
Taxation Matters	49000.00	40000.00
Company Law Matters	-	-
Management services	-	-
Other services	228000.00	129000.00
Reimbursement of Out of Pocket Expenses	-	-

b) Details of Prior period item as per applicable Accounting standard-5” Net Profit or Loss for the period , Prior period items and changes in Accounting policies” is as under [Clause (l) of Para 5(i)] :

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Prior Period Expenses	1042627.85	6110906.00
Prior Period Income	0.00	0.00

### 5.8 Additional information pursuant to the provision of Para 5(ii) of Part-II of the Schedule – III of the Companies Act, 2013:-

a) Raw Material Consumption Under Broad Heads (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Cotton, Comber & P.S.F	13266.21	17364.98
Cotton Yarn	10122.52	--
Polyster&Slub Yarn	1516.84	1693.63
Packing Material	212.27	116.89

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Chemicals	853.69	922.01
Fuel	328.13	308.78

### b) Goods purchased Under Broad Heads (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Cotton, Comber & P.S.F	13563.23	17476.58
Cotton Yarn	10202.98	--
Polyster&Slub Yarn	1504.59	1697.05

## 5.9 Additional information pursuant to the provision of Para 5(iii) of Part-II of the Schedule – III of the Companies Act, 2013:-

### a) Work in process (Amount in Lacs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Spinning Unit (Shambhu)	2.85	9.70
Denim Unit (Shambhu)	194.11	122.42
Spinning Unit (Kolhapur)	28.53	37.05
Terry Towel Unit (Kolhapur)	121.05	22.04
Amravati Unit (Maharashtra)	106.91	37.68

## 5.10 Additional information pursuant to the provision of Para 5(viii) of Part-II of the Schedule – III of the Companies Act, 2013:-

- a) Value of Import calculated on C.I.F basis by the company during the financial year 2019-20  
[Clause (a) of Para 5(viii)]:-

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
CIF Value of Import (Raw Material)	Nil	Nil
CIF Value of Import (Components & Spare Parts, Chemicals)	0.02Lacs	0.41 Lacs
CIF Value of Import (Plant & Machinery)	159.12Lacs	2053.53 Lacs

b) Expenditure Incurred in Foreign currency [Clause (b) of Para 5(viii)]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Royalty, Know How	Nil	Nil
Professional & Consultation Fee	Nil	13.07 Lacs
Interest	21.91Lacs	7.97 Lacs
<u>Other:-</u>		
Loan Raised	--	1425.67 lacs
Loan Re-payment	275.09 lacs	--
Director Travelling	--	--

c) Total value if all Imported & Indigenous Raw Material, Spare Parts & components consumed during the year and percentage of each to total consumption [Clause (c) of Para 5(viii):-

i) **Raw Material**

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	%	(Rs. in Lacs)	%	(Rs. in Lacs)
Imported	0.00%	0.00	0.00%	0.00
Indigenous	100.00%	25270.80	100.00%	19173.63

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

<b>Total</b>	<b>100.00%</b>	<b>25270.80</b>	<b>100.00%</b>	<b>19173.63</b>
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### ii) Store, Spare Parts. Dye & Chemicals

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
	%	(Rs. in Lacs)	%	(Rs. in Lacs)
Imported	0.002 %	0.02	0.03 %	0.41
Indigenous	99.998%	1069.71	99.97%	1204.97
<b>Total</b>	<b>100.00%</b>	<b>1069.73</b>	<b>100.00%</b>	<b>1205.37</b>

### d) Amount remitted during the year in foreign currency [Clause (d) of Para 5(viii)]:-

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Dividend Amount in foreign currency	Nil	Nil
No. of Non Resident Shareholder	Nil	Nil
Total No. of share held by them on which dividend is due.	Nil	Nil
Year to which dividend related	NA	NA

### e) Earning in foreign currency [Clause (e) of Para 5(viii)]:-

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
FOB Value of Export	220.45	237.32
Royalty, Know How	Nil	Nil
Professional & Consultation Fee	Nil	Nil
Interest	Nil	Nil
Other	Nil	Nil

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

**5.11** Balances of Sundry Debtors and Sundry Creditors are subject to confirmationsCategorization of Unsecured loan and sundry creditors is as certified and classified by directors of the company.

**5.12** Quantitative details of Business of Subsidiary company i.e. (Sudarshan Auto Industries Pvt Ltd.) are as under:

### Kaga-Kolhapur Plant

#### Raw Material

N. Yarn, Rubber & Chemical etc.	Opening	Purchases	Sales	Consumption	Closing
Kgs	3056	47699	0	48385	2370

#### Finished Goods - Tyres

	Opening	Purchases	Production	Sales	Closing
Tubes	800	0	0	0	800

### Kurkumbh Unit

#### Raw Material

N. Yarn, Rubber & Chemical etc.	Opening	Purchases	Sales	Consumption	Closing
Kgs	470	11660	0	11440	690

#### Finished Goods - Tyres

	Opening	Purchases	Production	Sales	Closing
Tubes	0	0	0	0	0

## SIGNIFICANT ACCOUNTING POLICIES - PRATAP INDUSTRIES LIMITED

Quantitative details are given only to the extent same are maintained by Management are disclosed above.

**For Sunit Gupta & Associates**  
**Chartered Accountants**  
**FRN-014237N**

**Place: Ambala City**

**Date: 03.07.2020**

**CA. Sunit Gupta**  
**Partner**  
**M.No. 091453**

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID
I/We, being the member(s) of _____ shares of the above named company. Hereby appoint		
Name :	E-mail Id:	
Address:		
Signature , or failing him		

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Wednesday 30<sup>th</sup> September day of 2020 at Registered office Vill. Beopror, Tehsil Rajpura, Distt. Patiala(Punjab) 140417 at 11.30 a.m and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2020		
2.	Appointment of Director Mr. Siddarth Bansal & Sunita Bansal Retiring by Rotation		
3.	Re-appointment for another term of 5 Year of M/s. Sunit Gupta & Associate , Chartered Accountants as Statutory Auditors & fixing their remuneration		
4.	To ratify the appointment to M/s. Santosh Kapoor & Co LLP, Cost Auditors for the F.Y 2020-21		
5.	Ratification of appointment of Internal Auditor for the Financial Year 2020-21		
6.	Ratification of appointment of Secretarial Auditor for the Financial Year 2020-21		
7.	Ratification of appointment of Independent Director Ajay Modi		
8.	Ratification of Appointment of Company Secretary:		
9.	Ratification for Change of Designation of Executive Director to Non Executive Director		
	<b>Special Resolution</b>		
8.	For Approval of Related Party Transaction		

\* Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_ day of \_\_\_\_ 20\_\_

Signature of Shareholder Signature of Proxy holder

Signature of the shareholder  
across Revenue StampAffix  
Revenue  
Stamps

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

32<sup>nd</sup> Annual General Meeting on 30th September, 2020

Full name of the members attending \_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Annual General Meeting of the PARTAP INDUSTRIES LTD. ,Village Beoprur, Tehsil  
Rajpura. , Punjab. Address, on Wednesday , the 30<sup>h</sup> September '2020

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.