

# **P PRITI INTERNATIONAL LIMITED**

PLOT NO. F-43, BASNI IST PHASE, JODHPUR, RAJASTHAN- 342005 INDIA

CIN: U36994RJ2017PLCO58454

PHONE: +91 291 2435699

E-MAIL: [g.d.lohiya@gmail.com](mailto:g.d.lohiya@gmail.com)

WEBSITE: [www.pritiinternationaltd.com](http://www.pritiinternationaltd.com)

January 14<sup>th</sup>, 2019

The Manager  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra Kundra Complex  
Bandra (E), Mumbai, Maharashtra - 400 051  
Script Code: PRITI

Dear Sirs, Madam,

Sub.: **Submission of the First Annual Report for the FY Ended 31<sup>st</sup> March 2018.**

We are pleased to enclose herewith the First Annual Report for the FY 2017-18 adopted in the First Annual General Meeting held on December 31st, 2018.

Thanking you,

Yours Faithfully  
For PRITI INTERNATIONAL LIMITED

  
MONIKA GANDHI  
Company Secretary & Compliance Officer





1<sup>ST</sup> ANNUAL REPORT

2017-2018

## **PRITI INTERNATIONAL LIMITED**

PLOT NO. F-43, BASNI IST PHASE, JODHPUR, RAJASTHAN- 342005 INDIA

CIN: U36994RJ2017PLCO58454

PHONE: 91-9314225699

E-MAIL: [g.d.lohiya@gmail.com](mailto:g.d.lohiya@gmail.com)

WEBSITE: [www.pritiinternationaltd.com](http://www.pritiinternationaltd.com)

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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Chairman & Executive Director	Goverdhan Das Lohiya
Director	Ritesh Lohiya
Managing Director	Priti Lohiya
Non-Executive Director	Leela Lohiya
Independent Director	Pankaj Baheti
Independent Director	Mahak Singhvi

**KEY MANAGERIAL PERSONS**

Chief Financial Officer	Ritesh Lohiya
Company Secretary & Compliance officer	Ms. Monika Gandhi

**AUDIT COMMITTEE**

Mr. Pankaj Baheti	Non-Executive Independent Director
Mr. Goverdhan Das Lohiya	Executive Director
Mr. Mahak Singhvi	Non-Executive Independent Director

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Pankaj Baheti	Non-Executive Independent Director
Mrs. Leela Lohiya	Non-Executive Director
Mr. Mahak Singhvi	Non-Executive Independent Director

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mrs. Leela Lohiya	Non-Executive Director
Mrs. Priti Lohiya	Managing Director
Mr. Ritesh Lohiya	Chief Financial Officer

**Registrar and Share Transfer Agent**

Bigshare Services Private Limited  
1st Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai – 400059  
Maharashtra, India.

**Bankers to Company**

IDBI Bank Limited  
Dhanlaxmi Tower, 1st Chopasani Road  
Jodhpur, Rajasthan, India

**Statutory Auditors**

M/s J.K. Daga & Associates  
Office No.01 Ist Floor Utkarsh Plaza  
Opp. Charbhujaji ka Temple  
Jodhpur Rajasthan-342003

**Registered Office**

Plot No. F-43, Basni 1<sup>st</sup> Phase, Jodhpur  
Rajasthan, India

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**Words from the Chairman**

Dear Shareholders,

At the outset I would like to thank all our shareholders for their overwhelming response to the IPO of the Company.

It is truly a proud moment as it will be first meeting of shareholders of the company after Incorporation as well as Listing of the company.

The journey began on 30<sup>th</sup> June 2017 when our Company incorporated as “Priti International Limited” thereafter our company has takeover the business of a sole proprietorship concern “Priti International” owned by Managing Director of our Company Priti Lohiya.

Our Company “Priti International Limited” having a business of Handicraft products (Textile, Recycling and upcycling of waste materials) is a 100% Export oriented unit having global presence.

With immense pleasure I am sharing the Performance of the company for the year 2017-18.

- Our Total Revenue for the year Rs. 9,99,49,109.43
- Our Profit before tax was Rs. 1,04,24,309.96
- Our Profit after tax was Rs. 76,02,131.96

I am happy to announce that our company has planned expansion of its business to explore the opportunities available in Domestic market. Fund raised from IPO will be utilized for establishment of new unit. This new unit will produce different Handicraft products that will cater the needs of consumers at domestic level.

I cherish a vision to become domestic leader as well alike global leader of handicraft industry. At Priti International Limited we are focused to enhance technological development that converts waste into useful and valuable product. All our efforts are directed towards positioning our Company to leverage emerging opportunities in the market place to accelerate our growth in future.

I am thankful to all the stakeholders of the Company including Directors, Promoters, Staff, customers of the Company and all other peoples who have contributed in growth of the company and for their tremendous efforts and Continuous Support to make IPO Successful.

Goverdhan Das Lohiya  
Chairman & Director



## **Notice of 1<sup>st</sup> Annual General Meeting**

NOTICE is hereby given that the 1<sup>st</sup> Annual General Meeting of the Members of PRITI INTERNATIONAL LIMITED will be held on Monday, 31<sup>ST</sup> December, 2018 at 11.00 A.M. at Plot No. F-43, Basni 1<sup>st</sup> Phase, Jodhpur (Raj.) to transact the following businesses:

### **AS ORDINARY BUSINESS:**

#### **1. Adoption of Audited Financial Statements**

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31st, 2018 together with the reports of the Board of Directors ('the Board') and auditors thereon.

#### **2. To Appoint Mr. Ritesh Lohiya (DIN: 07787331) as an Executive Director liable to retire by rotation.**

To appoint Mr. Ritesh Lohiya as a Director, who retires by rotation and being eligible & offers himself for re-appointment.

*"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act 2013, Mr. Ritesh Lohiya (DIN: 07787331), who retires by rotation at this meeting and being eligible has offered himself for reappointment, be and is hereby re-appointed as Director of the Company."*

#### **3. To Appoint the Auditor of the Company and fix their remuneration.**

To Consider the appointment of M/s J K DAGA & ASSOCIATES, Chartered Accountants (FRN: 0010314C), as a Statutory Auditors and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

*"RESOLVED THAT, pursuant to the provision of section 139 and other applicable provisions, if any, of the Companies Act 2013 and the rules framed there under, as amended from time to time, M/s J. K. DAGA & ASSOCIATES, CHARTERED ACCOUNTANTS (FRN: 010314C) be and is hereby appointed as statutory auditor of the company to hold office from the conclusion of this annual general meeting (AGM) till the conclusion of the its Sixth (6<sup>th</sup>) AGM of the Company to be held in calendar year 2023 for the period of five years, at such remuneration plus applicable taxes, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the company and the Auditors."*

AS SPECIAL BUSINESS:**4. To Approve Re-appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326) as Executive Chairmen**

To Consider the appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326), as a Whole time director and Executive Chairmen and to pass the following resolution as a Special resolution thereof:

*"RESOLVED THAT pursuant to Sections 152, 196, 197, 203 and other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company hereby accords its approval for re-appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326), who has attained age of 70 years during May 7<sup>th</sup>, 2018, as a Whole-Time Director designated as 'Executive Chairman' of the Company for a period of 5 years with effect from December 31<sup>st</sup>, 2018, on such terms and at such remuneration as set out in the explanatory statement annexed to this Notice.*

**RESOLVED FURTHER THAT**

- (a) the aggregate of salary, perquisites and allowances of Mr. Goverdhan Das Lohiya, Executive Chairman of the Company in any one financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (including applicable rules, if any) as amended from time to time;
- (b) in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Goverdhan Das Lohiya, Executive Chairman, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013."

For & on Behalf of Board of Directors of  
**Priti International Limited**



Monika Gandhi  
(Company Secretary)

**Registered Office:**

Plot no. F-43, Basni I Phase  
Jodhpur, Rajasthan - 342005 India  
CIN: U36994RJ2017PLCO58454  
Phone: 91-93142 25699  
E-mail: g.d.lohiya@gmail.com

Date: 03-12-2018  
Place: Jodhpur



**Explanatory Statement**  
**(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

**Item # 4 – To Approve Re-appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326) as Executive Whole time director**

Mr. Goverdhan Das Lohiya aged 71 years, is a co-promoter and Executive Director of the Company and having over 25 years of industry. Pursuant to Section 152(6) of the Companies Act, 2013, his current term of appointment as an Executive Director of the Company will expire on the ensuing AGM. He has excellent grasp and thorough knowledge and experience of not only Business Functions but also of general management. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Goverdhan Das Lohiya should be available to the Company for a further period of Five years with effect from December 31<sup>st</sup>, 2018.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, based on recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors have, at their meeting held on December 3<sup>rd</sup>, 2018, appointed him as an Executive Whole time Director of the Company for a further period of Five years with effect from December 31<sup>st</sup>, 2018. The remuneration is based on the recommendations of the Remuneration Committee. The details of Remuneration is provided as under:

**(1) Tenure**

The appointment of Mr. Goverdhan Das Lohiya as the Executive Chairman shall be valid for a period of 5 years from December 31<sup>st</sup>, 2018.

**(2) Remuneration**

(a) Salary: Rs 1,15,000 per month with the authority to the Board of Directors to determine any merit based increase from time to time .

(b) Performance Bonus/Incentive: Annual Performance Bonus/Incentive as may be approved by the Board based on the performance criteria laid down by the Company.

(c) Perquisites & Allowances: In addition to the Salary & Performance Bonus/Incentive, Mr. Goverdhan Das Lohiya shall be entitled to following perquisites and allowances:

(i) Company leased accommodation or House Rent Allowance in lieu thereof subject to a maximum of 50% of Basic Salary as per rules of the Company.

(ii) Leave Travel Allowance (subject to maximum of 10% of Basic Salary)

(iii) Medical Reimbursements, Club Fees, Personal Accident & Medical Insurance, use of chauffeur driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

(d) Overall Remuneration:

The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said or relevant applicable provisions of Companies Act, 2013 for the time being in force.

(e) In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of the Executive Vice Chairman, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Section 196 of the Companies Act, 2013 (Act) inter-alia provides that no company shall appoint or continue the employment of any person as Whole time director, who has attained the age of 70 years, unless his appointment is approved by a special resolution. During May 2018, Mr. Goverdhan Das Lohiya has attained the age of 70 years. So to comply with the relevant provisions of the Act, his appointment as Executive Whole time Director is sought as Special Resolution.

The provisions of Section 152 of the Act provide that not less than two-thirds of the total number of directors (excluding Independent Directors) of a public company shall be liable to determination by retirement of directors by rotation. To comply with the relevant provisions of Act, it is desirable that his office be made liable to determination by retirement of directors by rotation.

This explanatory statement may also be read and treated as disclosure in compliance with the requirement of Section 190 of the Companies Act, 2013.

In accordance with Regulation 36 of the Listing Regulations, the particulars of Mr. Goverdhan Das Lohiya as required under the said regulation are given as under:

Name of the Director	Goverdhan Das Lohiya
Date of Birth (Age)	70 Years
Date of Original Appointment	June 30 <sup>th</sup> , 2017

Expertise in specific Functional areas	handicraft Industry
Qualification & Experience	Bachelor of Commerce
Directorships in other Companies	Nil
Membership of committees in other Companies	Nil
Other Information	Goverdhan Das Lohiya, aged 70 years is the Promoter, Chairman and Executive Director of the Company. He has been Executive Director of the Company since incorporation. He has completed his Bachelor of Commerce from Jodhpur University. He has an experience of more than four decades in various businesses out of which more than a decade's experience is in the handicraft industry. He has been instrumental in formulating the business strategies of M/s Priti International (the erstwhile proprietorship of Our Promoter Priti Lohiya) and at the Company, he is responsible for overall decision making.

The Nomination and Remuneration Committee and the Board of Directors recommend the above Special resolution for your approval.

None of the Directors, Key managerial personnel of the company or their relative or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, concerned or interested, financially or otherwise, in the above resolution except that Mr. Goverdhan Das Lohiya (DIN: 07787326) who is proposed to be appointed as director of the company is member of the Company and relative of the existing directors of the Company.

The resolution as set out in item no. 4 of this Notice is accordingly commended for your approval.

**NOTES:**

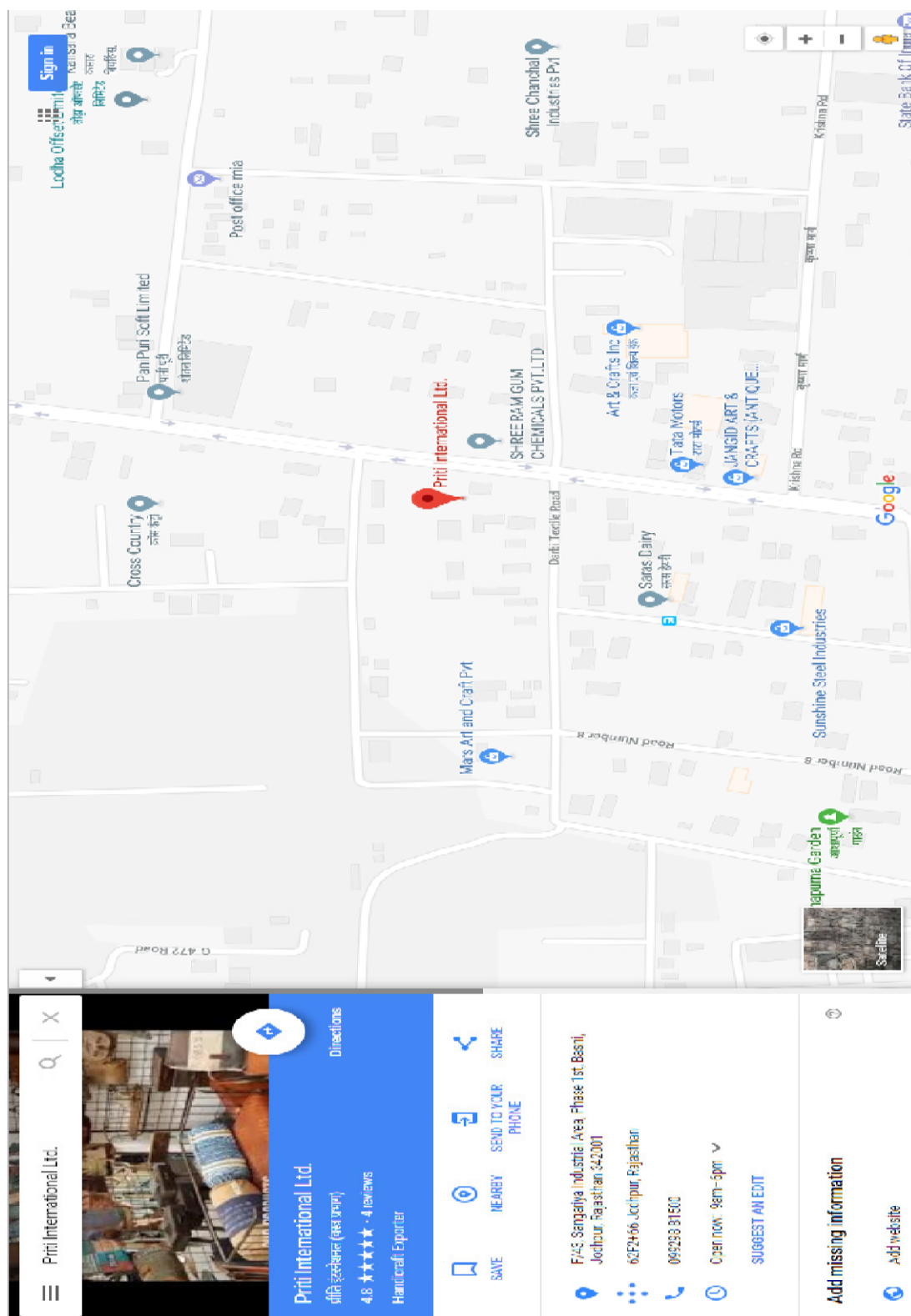
1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him and proxy need not be a member of the company. Proxies in order to be effective must be received by the company at its registered office at least 48 hours before the time of meeting.
2. Pursuant to provision of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy who shall not act as proxy for any other person or Member. A proxy is not entitled to vote except on a poll. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of the limited companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Corporate Members intending to send their authorized representative to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with specimen signatures of their authorized representatives to attend and vote at the Meeting.
4. The documents referred to in the proposed resolution(s) are available for inspection at the Registered Office of the Company situated at Plot No. F-43 Basni Ist Phase Jodhpur Rajasthan-342001 between 11.00 am to 1.00 pm on any working days except Saturdays, Sundays and Public Holidays up to the date of Annual General Meeting.
5. Company has entrusted its registrar & share transfer activities to Big Share Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059, Maharashtra. Members are requested to do all future correspondence at the said address of RTA.
6. 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, Bigshare Services Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Bigshare Services Private Limited. This can be done by sending letters with postage pre-paid or by sending email to [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com).

7. 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.
8. The Equity Shares of the Company are listed on the following Stock Exchange in India w.e.f. 21<sup>st</sup> June, 2018.  
National Stock Exchange of India Ltd. (EMERGE)  
Exchange Plaza, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400 051.
9. The Company has designated an exclusive e-mail ID called [info@pritiinternationaltd.com](mailto:info@pritiinternationaltd.com) for redressal of Members' complaint/ grievances. In case you have any queries/complaints or grievances, then please write to us at [info@pritiinternationaltd.com](mailto:info@pritiinternationaltd.com).
10. Remote E- Voting: As per notification issued by Ministry of corporate affairs dated 19<sup>th</sup> day of March 2015 with reference of the Companies (Management and Administration) Rules, 2014, Companies covered under chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from E-Voting Provisions. Also no such provision is available in SME equity listing agreement. Company is covered under Chapter XB as it is a SME company and listed on NSE EMERGE- SME Platform of National Stock Exchange of India Limited. Therefore, Company is not providing remote E-Voting facility to its Shareholders.
11. The Notice of the Annual General Meeting along with the annual report 2017-18 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 please note that this notice and annual report 2017-18 will also be available on the Company's Website [www.pritiinternationaltd.com](http://www.pritiinternationaltd.com).
12. Members desirous of getting any information about the company are requested to write to the company at least seven days in advance of the meeting, so that information can be kept ready at the Meeting.
13. A Google map showing route map is provided as under:

## ROUTE – MAP



## DIRECTORS' REPORT

To  
The Members  
Priti International Limited

Your Directors are pleased to present their 1<sup>st</sup> Report on the affairs of your Company together with the Audited Financial Statements and the Auditors' Report of your company for the financial year ended 31st March, 2018.

### INCORPORATION OF COMPANY

The company was incorporated on 30<sup>th</sup> June, 2017 and has acquired the running business of Proprietorship Concern of our Promoter and Managing Director Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited.

### 1. FINANCIAL RESULTS

Financial Results of your company for the year ended 31<sup>st</sup> March 2018 are summarized below:-

Particular	2017-18 (for FY 30 <sup>th</sup> June 2017-31 <sup>st</sup> March 2018)
Income from Operations (A)	9,70,60,583.05
Other Income (B)	28,88,526.38
Total Revenue (A+B)	<b>9,99,49,109.43</b>
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	1,11,60,032.21
Finance Cost	-
Depreciation and Amortization	7,35,722.25
Profit Before Tax	1,04,24,309.96
Tax Expenses	28,22,178.00
Profit After Tax	76,02,131.96

M/s Priti International (proprietorship firm taken over by company) reported Profit before Tax of Rs. 87,81,306.08 till 10<sup>th</sup> November, 2017 and the profit before tax reported by company from 11<sup>th</sup> Nov till year end was Rs. 1,04,24,309.96 . The company has shown healthy growth of 16.55%

in PBT with increase of Rs. 27,26,461.90 in profit as compared to last year profit before tax of Rs. 1,64,79,154.14 reported by M/s Priti International.

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

There has been no significant change in the business carried on by the company. M/s Priti International was engaged in export business only, the company has now entered in Domestic as well as online selling market, though the volume during the period ended 31<sup>st</sup> March 2018 was not significant.

## **3. DIVIDEND**

In order to conserve its financial resources to meet its growth plan, Your Board could not recommend any Final dividend for the year under review.

## **4. MANAGEMENT DISCUSSION AND ANALYSIS**

As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report form part of this Annual Report.

## **5. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

For the financial year ended 31<sup>st</sup> March, 2018, your Company has not proposed to carry or transfer any amount to the General Reserve Account or any other specific reserve.

## **6. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

Your Company has not made any investment in any subsidiary/JV/Associate company.

## **7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since the company incorporated in this year therefore there was no unpaid/unclaimed Dividend on the books or any Unpaid Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply to your company.



**8. MATERIAL CHANGES AND COMMITMENTS**

The Company has made public issue of shares between the year end date and the date of this report.

The Company has raised funds of Rs. 525.60 lakhs from Initial Public Offer by offering 700800 equity Shares at issue price of Rs. 75 having face value of Rs. 10. Your company issued a prospectus dated 31<sup>st</sup> May, 2018. The issue of the company opened on 11<sup>th</sup> June, 2018 and closed on 13<sup>th</sup> June, 2018. The issue got overwhelming response from retail as well as non-retail investors and got oversubscribed by 8.10 times in Retail Category and 7.41 times in non-Retail category. The issue got listed on NSE Emerge Platform of NSE Limited w.e.f. 21<sup>st</sup> June, 2018 and Listing Price was Rs. 81 per share.

**9. EXTRACTS OF ANNUAL RETURN**

The Extract of Annual Return as required under section134(3)(a) read with Section 92(3) of the Companies Act,2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9, is annexed herewith as **Annexure "I"**.

**10. MEETINGS OF THE BOARD OF DIRECTORS**

As required by clause (b) of sub-section (3) of Section134 of the Companies Act, 2013, your directors report that during the Financial Year 2017-18, the Company held 14 meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below.

No.	Date of Meeting	Board Strength	No. of Directors Present
1	10/07/2017	4	4
2	15/07/2017	3	3
3	24/08/2017	3	3
4	30/08/2017	3	3
5	07/09/2017	3	3
6	07/10/2017	3	3
7	11/11/2017	3	3
8	18/11/2017	3	3
9	05/12/2017	6	5
10	13/12/2017	6	5
11	07/01/2018	6	5

12	16/01/2018	6	5
13	12/02/2018	6	5
14	14/02/2018	6	5

## GENERAL MEETINGS

During the year under review 4 Extraordinary general meetings were held in company on 3<sup>rd</sup> November, 2017, 11<sup>th</sup> November, 2017, 5<sup>th</sup> December, 2017 and 8<sup>th</sup> January, 2018.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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;
- iii. 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;
- iv. The directors had prepared the annual accounts on a going concern basis; and
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. 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.

## 12. AUDITORS AND REPORT THEREON

### STATUTORY AUDITORS

The Auditors, M/s J.K. Daga & Associates; Chartered Accountants of Jodhpur were appointed as first auditors of the company. In this regard the Company has received certificate from the Auditors to the effect that if they are appointed it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

The report of the Auditors is self-explanatory. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes of financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2018 is annexed to the Financial Statements.

The Board proposes appointment of M/s J.K. Daga & Associates, Chartered Accountants Jodhpur (FRN: 010314C) as Statutory Auditors for a period of Five years in the ensuing Annual General Meeting. Their appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

As required by Section 134(3) (ca) of the Companies Act, 2013, your directors report that there is no fraud reported by the auditors in their report which is required to be reported here.

Your company has installed adequate internal financial controls with reference to the Financial Statements as reported by Auditors for the year ended 31st March, 2018.

#### **SECRETARIAL AUDITORS**

In terms of Section 204 of the Companies Act, 2013, the Company was not required to get the Secretarial Audit done for the Financial Year 2017-18.

#### **INTERNAL AUDITORS**

In terms of Section 138 of the Companies Act, 2013, the Company was not required to appoint an Internal Auditor for the Financial Year 2017-18.

#### **COST RECORD MAINTENANCE AND COST AUDIT**

Pursuant to Rule 3 of Companies (Cost Records and Audit) Rules, 2014, the company is not required to maintain Cost records under the provision of Section 148 (1) of the Companies Act, 2013.

**13. LOANS, GUARANTEES AND INVESTMENTS**

As required by Section 134(3) (g), your directors report that there were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**14. DISCLOSURE OF PARTICULARS OF EMPLOYEES' PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the employees of the company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2017-18.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement annexed herewith as "**Annexure II**".

**15. RELATED PARTY TRANSACTIONS**

All the related party transactions entered are in the ordinary course of business and at an arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013.

In accordance with Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of material contract or arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 in Form AOC-2 is annexed as "**Annexure III**".

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

As required by Section 134(3) (m) read with the Companies (Accounts) Rules, 2014, your director's report as under:

**A. Conservation of Energy, Technology Absorption & Conservation of energy:**

- (i) Steps taken / impact on conservation of energy



The Company is having strict control systems to monitor day to day power consumption. Use of LED lamps was initiated to replace CFL Bulbs and save on energy cost and conserve the same.

- (ii) Steps taken by the company for utilizing alternate sources of energy including waste generated: Nil
- (iii) Capital investment on energy conservation equipment: Nil

#### **B. Technology Absorption:**

- (i) Efforts, in brief, made towards technology absorption: Nil
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc: Not Applicable
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:
  1. Details of Technology Imported: Not Applicable
  2. Year of Import: Not Applicable
  3. Whether the technology been fully absorbed: Not Applicable
  4. If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.: Not Applicable
- (iv) Expenditure incurred on Research and Development:  
During the year under review company has not incurred any expenditure on research and development.

#### **C. Foreign Exchange Outgo:**

The details for foreign exchange earnings and outgo are as under (Rs. In Lakhs)

Particulars	2017-18 (11 <sup>th</sup> nov-31 <sup>st</sup> mar)
Foreign Exchange Earnings	969.30
Foreign Exchange Outgo	0.00

### **17. RISK MANAGEMENT**

As required by clause (n) of sub-section (3) of Section 134 of the Companies Act, 2013, the management is discussing and examining elements of risk threatening the Company's existence and decides proper Risk Management Policy. The Company has laid down Internal Financial Controls that includes a risk based framework to ensure orderly and efficient conduct of its

business, safeguarding of its assets, accuracy, and completeness of the accounting records and assurance on reliable financial information. The Board has satisfied itself with the adequacy and effectiveness of Internal Financial control system and ensured that the Risk Management including internal financial controls are in place. The Board regularly keeps a check and ensures that elements of risk threatening on the Company's existence are very minimal.

## **18. DIRECTORS AND KMP**

The Board of Directors comprises of 6 (six) Directors, out of which 2 (Two) are Independent Directors and 1 (One) is Woman Non Executive Director. The constitution of the Board of the Company is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. During the year under review, there were following changes in the composition of Directors.

### **Resignation**

Mrs. Leela Lohiya, being First Director of the company has given her resignation on 10/07/2017.

### **Appointments**

On Tuesday 05<sup>th</sup> December 2017 Mrs. Leela Lohiya, was appointed as Non-executive Women Director of the company, Mr. Pankaj Baheti and Mr. Mahak Singhvi were appointed as Non-executive Independent Directors of the Company. Their appointment is valid for a term of 5 years.

### **Key Managerial Personnel**

On Tuesday 05<sup>th</sup> December 2017, Mrs. Priti Lohiya was appointed Managing Director of the Company for a term of five years commencing from 05<sup>th</sup> December 2017 till 04<sup>th</sup> December 2018.

Mr Ritesh Lohiya was appointed as Chief Financial Officer (CFO) and Ms Shivani Arora was appointed as Company Secretary of the Company w.e.f. 05<sup>th</sup> December 2017. Ms. Shivani Arora has resigned on 06<sup>th</sup> July 2018 from the Post of Company secretary and Compliance officer with immediate effect. Further, to fill the place of Company Secretary and Compliance officer, Mrs Monika Gandhi was appointed w.e.f. 23<sup>RD</sup> November 2018.

Their terms and condition as and when varied shall be put forth before Nomination and Remuneration committee as required by Section 178 of the Companies Act, 2013 and the rules made there under.

**DIRECTORS RETIRING BY ROTATION**

Pursuant to the provisions of Section 152 of the Companies Act, 2013, one-third of the Directors are liable to retire by rotation every year and if eligible, offer themselves for re-appointment at the AGM. Consequently, Mr. Retish Lohiya (DIN: 07787331) Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. The Board of Directors recommends his re-appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

**19. DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 25 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**20. CRITERIA FOR PERFORMANCE EVALUATION**

In accordance with the provisions of the Act and Regulation 17(10) of the Listing Regulations, a Board Evaluation Policy is in place. A structured questionnaire by an independent outside agency covering various aspects of the Board's functioning, Board culture, performance of specific duties by Directors and contribution to the Board proceedings was circulated to the members of the Board for the Financial Year 2017-18. Based on the responses received, the Board as a whole, the Committees, the Chairperson and individual Directors were separately evaluated in the meeting of the Independent Directors and at the meeting of the Board of Directors.

The process of review of Non-Independent Directors, the Board as a whole and also its Committees were undertaken in a separate meeting of Independent Directors. At the meeting, the performance of the Chairman of the Company was reviewed taking into account the views of the Executive Directors, Non-Executive Directors and Independent Directors. The meeting also assessed the quality, quantity and timeliness of information required for the Board to perform its duties properly.

The entire Board, excluding the Director being evaluated, evaluated the performance of each Independent Director.

The Directors have expressed their satisfaction with the evaluation process. Based on the findings from the evaluation process, the Board will continue to review its procedures and effectiveness in the Financial Year 2018-19 with a view to practice the highest standards of Corporate Governance

**Performance evaluation report**

Since the company' equity shares listed in the current financial year, performance evaluation etc. of board of directors, independent directors and committees of directors would be applicable in the current financial year and would form part of the next report.

**21. DETAILS ON DEPOSITS, SHARES, COURT ORDER ETC.**

In terms of the Companies (Accounts) Rules, 2014 your directors report as under:

**DISCLOSURE ON DEPOSITS**

Since your company has not accepted any Public deposits during the year it has no information to offer.

**a. Details relating to deposits covered under chapter V of companies act, 2013 (under Rule 8(5) of Companies (Accounts) Rules, 2014:**

Particulars		Details	
(i)	Deposits accepted during year	Nil	
(ii)	Deposits remained unpaid or unclaimed at end of year	Nil	
(iii)	Default in repayment of deposits or payment of interest thereon	Nil	
Particulars of Default		Amount of Deposit	Number of Cases
At the beginning of year		0	0
During year		0	0
At the end of year		0	0
(iv)	Details of deposits which are not in compliance with requirements of chapter v of act	Nil	

**b. Details of money accepted form the Directors of the Company and repayment thereof (under the proviso to Rule 2(1)(c)(viii) of Companies (Acceptance of Deposit) Rules, 2014:**

During the year under review, the company has not accepted any amount of money from its directors neither made any repayments to directors of any amount borrowed from them. However, pursuant to the Business Succession Agreement dated November 11, 2017 executed between the Proprietor of M/s Priti International and the Company, the below unsecured loans were taken over by the company and the same were repaid by the company by issue of equity shares of Rs. 10 each at a premium of Rs. 65:



S. No.	Name of Unsecured Lender taken over	Amount of Loan (In Rs.)	Repayment by way of issue of shares (in No.)
1.	GOVERDHAN DAS LOHIYA HUF	83,98,050	1,11,974
2.	RITESH LOHIYA HUF	88,69,950	1,18,266
3.	RITESH LOHIYA	52,07,400	69,432
	<b>Total</b>	<b>2,24,75,400</b>	<b>2,99,672</b>

**SHARES****a) BUY BACK OF SECURITIES**

Your Company has not bought back any of its securities during the year under review.

**b) SWEAT EQUITY**

Your Company has not issued any Sweat Equity Shares during the year under review.

**c) BONUS SHARES**

Your Company has not issued any Bonus Shares during the year under review.

**d) EMPLOYEES STOCK OPTION PLAN**

Your Company has not provided any Stock Option Scheme to the employees.

**e) RIGHT ISSUE OF SECURITIES**

Your Company has not issued any right shares during the period under review. Further the company has made two Private placements offer on dated 18.11.2017 and 05.12.2017 respectively

**ORDER OF COURT**

No orders are passed by the regulators or courts or Tribunals impacting the going concern status of your company's operation in future.

## **22. DISCLOSURE OF COMPOSITION OF COMMITTEES AND PROVIDING VIGIL MECHANISM**

**Audit Committee**

The composition of the Audit Committee is in conformity with the provision of the Section 177 of the Companies Act, 2013 and pursuant to Regulation 18 of the Listing Regulations.

The Audit Committee comprises of:

S. No.	Name	Category	Designation
1.	Mr. Pankaj Baheti	Independent Non-Executive Director	Chairperson
2.	Mr. Goverdhan Das Lohiya	Executive Director	Member
3.	Mr. Mahak Singhvi	Independent Non-Executive Director	Member

The members of Audit Committee are financially literate and have requisite accounting and financial management expertise. The term of reference of the Audit Committee and the particulars of the meetings held and attendance there at are mentioned in the Corporate Governance Report forming part of the Annual Report.

During the year 2 (Two) Committee meetings were convened and held on the following date:

S.no	Day and date
1.	Saturday, December 23, 2017
2.	Wednesday, March 28, 2018

and the details of the Meetings attended by each member as follows :

S. No.	Name	No of Committee Meeting	
		Entitle to Attend	Attended
1.	Mr. Pankaj Baheti	2	2
2.	Mr. Goverdhan Das Lohiya	2	2
3.	Mr. Mahak Singhvi	2	2

### **Vigil Mechanism/Whistleblower Policy**

In accordance with the Section 177(9) of the Act read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rule, 2014 framed there and in accordance with Regulation 22 of the Listing Regulations, the Company has a Whistleblower Policy in place for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for protected disclosures for the whistleblower. Disclosures can be made through e-mail or letter to the Whistle Officer or to the Chairperson of the Audit Committee.

Mr. G.D. Lohiya- Director & Chairperson was appointed as Vigil Mechanism Officer of the Company. No Complaint has been raised by any of Company's Directors or Employees during the financial year under review.

**Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration of Committee is in conformity with the provision of the Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 of the Listing Regulations. The Nomination and Remuneration of Committee comprises of

S. No.	Name	Category	Designation
1.	Mr. Pankaj Baheti	Independent Non-Executive Director	Chairperson
2.	Mrs. Leela Lohiya	Non-Executive Director	Member
3.	Mr Mahak Singhvi	Independent Non-Executive Director	Member

The Company has Nomination and Remuneration Policy, which provide the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provision of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy of the Company is disclosed under “**Annexure IV**”.

During the year 2 (Two) Committee meetings were convened and held on the following date :

S.no	Day and date
1.	Saturday, December 23, 2017
2.	Wednesday, March 28, 2018

and the details of the Meetings attended by each member as follows :

S. No.	Name	No of Committee Meeting	
		Entitle to Attend	Attended
1.	Mr. Pankaj Baheti	2	2
2.	Mrs. Leela Lohiya	2	2
3.	Mr Mahak Singhvi	2	2

**Stakeholders Relationship Committee**

The Stakeholder’s Relationship Committee is in conformity with the provision of the Section 178(5) and 178 (6) of the Companies Act, 2013 and pursuant to Regulation 20 of the Listing Regulations. The Committee comprises of:

S. No.	Name	Category	Designation
1.	Mrs. Leela Lohiya	Non-Executive Director	Chairperson
2.	Mrs. Priti Lohiya	Managing Director	Member
3.	Mr. Ritesh Lohiya	CFO-cum-Director	Member

During the year one Committee meeting were convened and held on dated Saturday, December 23, 2017 and the details of the Meeting attended by each member as follows:

S. No.	Name	No of Committee Meeting	
		Entitle to Attend	Attended
1.	Mrs. Leela Lohiya	1	1
2.	Mrs. Priti Lohiya	1	1
3.	Mr. Ritesh Lohiya	1	1

## 23. DETAILS ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of rule 9 of the Companies (Accounts) Rules, 2014 your directors report that your company is not covered under the provisions of Section 135 of the Companies Act, 2013 hence is not particulars to offer for expenses known as CSR expenses.

## 24. CORPORATE GOVERNANCE

The Company being listed on the Small and Medium Enterprise platform is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence Corporate Governance Report is not required to be attached to this Annual Report.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules there under. The policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has constituted committee (known as the Prevention of Sexual Harassment (POSH) Committee) under the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 and complied with the provisions of the same.

The Company is committed to provide a safe and conducive work environment to its employees during the financial year. Your Directors, further, state that during the financial year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year 2017-18, the Company has received no complaint on sexual harassment.

## **26. ACKNOWLEDGMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation and financial assistance received from the Bankers and all other authorities.

Your Directors acknowledge the support and co-operation received from the employees and whole management team.

For & on Behalf of Board of Directors of  
**Priti International Limited**

RITESH LOHIYA  
(CFO-cum-Director)  
DIN: 07787331

PRITI LOHIYA  
(Managing Director)  
DIN: 07789249

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. Industry Structure and Developments**

India is one of the important suppliers of handicrafts to the world market. The Indian handicrafts industry is highly labour intensive cottage based industry and decentralized, being spread all over the country in rural and urban areas. The Indian handicrafts industry is fragmented, with more than seven million regional artisans and more than 67,000 exporters/export houses promoting regional art and craftsmanship in the domestic and global markets. Handicraft exports from India increased by 11.07 per cent year-on-year during April 2016-March 2017 to US\$ 3.66 billion.

**B. Opportunities and Threats****Opportunities**

Due to the Company being listed the scope for public financing has increased. The Company can tap the financial market any time it requires. Industry has also rising demand for Handicraft products and increase in use of handicraft products in fashion industry.

**Threats**

The major challenges faced in the Handicraft Industry are increasing competition in International as well as domestic market. Other challenge being Quality products produced by the countries like China, South Africa using new technology.

**C. Outlook**

Your company continues to maintain the growth of the business taken over in succession of M/s Priti International. The company has also initiatives to reduce its operating and finance cost.

**D. Risks and Concerns**

In general handicraft industry faces the risk of rapid obsolescence and quality products produced by competing countries.

**E. Internal Control System and Their Adequacy**

The company has systematic Internal Control System in place and reviews it timely manner.



**F. Discussion on Financial performance with respect to operational performance**

The company has reported profit during its first year ended on 31<sup>st</sup> March, 2018 and continues to move on growth path. Revenue from operations reported during the period is 9, 70,60,583.05 and Profit after tax is Rs. 76,02,131.96.

**G. Material Developments in Human Resources/Industrial relations front, including number of people employed:**

The company has employed adequate no. of employees at its plant and office and there is no labour unrest.

**Annexure - I****FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31<sup>st</sup>, 2018***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- U36994RJ2017PLC058454
- ii) Registration Date June 30<sup>th</sup>, 2017
- iii) Name of the Company Priti International Limited
- iv) Category / Sub-Category of the Company limited by Shares Company
- v) Address of the Registered office and contact details Plot No. F-43, Basni 1st Phase  
Jodhpur, Rajasthan, India  
Contact: +91-9314225699
- vi) Whether listed company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri (East), Mumbai – 400059  
Maharashtra, India.  
Email: investor@bigshareonline.com  
Telephone No: +91 22 6263 8200  
SEBI Registration No: INR000001385

**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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of other textiles n.e.c.	1399	11.18%
2	Manufacture of furniture	3100	88.82%

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

No. of Companies for which information is being filled – Nil

S. NO	NAME AND ADDRESS OF THE	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
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	COMPANY				
1	NA				

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

i) Category-wise Share Holding

[illegible]

[illegible]

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	DMAT	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	50000	50000	100%	-	1893532	1893532	100%	0%

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Goverdhan Das Lohiya	14900	29.80%	0%	14800	0.78%	0%	-29.02%
2	Ritesh Lohiya	14900	29.80%	0%	84232	4.45%	0%	-25.35%
3	Priti Lohiya	14500	29.00%	0%	1558360	82.30%	0%	53.30%
4	Goverdhan Das Lohiya HUF	0	0.00%	0%	112074	5.92%	0%	5.92%
5	Ritesh Lohiya HUF	0	0.00%	0%	118366	6.25%	0%	6.25%
	<b>Total</b>	<b>44300</b>	<b>88.60%</b>	<b>0.00%</b>	<b>1887832</b>	<b>99.70%</b>	<b>0.00%</b>	<b>11.10%</b>

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

1. Mr. Goverdhan Das Lohiya		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		14900	29.80%	14900	29.80%
Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer to Goverdhan Das Lohiya HUF	(100)	(0.20%)	14800	29.60%

1. Mr. Goverdhan Das Lohiya	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 End of the year			14800	0.78%

2. Mr. Ritesh Lohiya		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		14900	29.80%	14900	29.80%
Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer to Ritesh Lohiya HUF	(100)	(0.20%)	14800	29.60%
05/12/2017	Issue under private Placement	69432	3.67%	84232	4.45%
At the End of the year				84232	4.45%

3. Mrs. Priti Lohiya		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		14500	29.00%	14500	29.00%
Date	Reason for Increase / (Decrease)				
18/11/2017	Issue under private Placement	1543860	96.86%	1558360	97.77%
At the End of the year				1558360	82.30%

4. Goverdhan Das Lohiya HUF	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	0	0.00%	0	0.00%



Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer From Goverdhan Das Lohiya	100	0.20%	100	0.20%
05/12/2017	Issue under private Placement	111974	5.91%	112074	5.92%
<b>At the End of the year</b>				<b>112074</b>	<b>5.92%</b>

5. Ritesh Lohiya HUF		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		0	0.00%	0	0.00%
Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer From Goverdhan Das Lohiya	100	0.20%	100	0.20%
05/12/2017	Issue under private Placement	118266	6.25%	118366	6.25%
<b>At the End of the year</b>				<b>118366</b>	<b>6.25%</b>

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

1. Ritika Lohiya		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		5000	10.00%	5000	10.00%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	5000	10.00%
<b>At the End of the year</b>				<b>5000</b>	<b>0.26%</b>

2. Leela Lohiya	Shareholding at the beginning of	Cumulative Shareholding during
-----------------	----------------------------------	--------------------------------

		the year		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		500	1.00%	500	1.00%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	500	1.00%
At the End of the year				<b>500</b>	<b>0.03%</b>

3. Premesh Bhootra		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		100	0.20%	100	0.20%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	100	0.20%
At the End of the year				<b>100</b>	<b>0.01%</b>

4. Sohan Lal Bhootra		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		100	0.20%	100	0.20%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	100	0.20%
At the End of the year				<b>100</b>	<b>0.01%</b>

(v) Shareholding of Directors and Key Managerial Personnel:

1. Mr. Goverdhan Das Lohiya		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

1. Mr. Goverdhan Das Lohiya		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		14900	29.80%	14900	29.80%
Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer to Goverdhan Das Lohiya HUF	(100)	(0.20%)	14800	29.60%
At the End of the year				14800	0.78%

2. Mr. Ritesh Lohiya		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		14900	29.80%	14900	29.80%
Date	Reason for Increase / (Decrease)				
07/09/2017	Transfer to Ritesh Lohiya HUF	(100)	(0.20%)	14800	29.60%
05/12/2017	Issue under private Placement	69432	3.67%	84232	4.45%
At the End of the year				84232	4.45%

3. Mrs. Priti Lohiya		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		14500	29.00%	14500	29.00%
Date	Reason for Increase / (Decrease)				
18/11/2017	Issue under private Placement	1543860	96.86%	1558360	97.77%
At the End of the year				1558360	82.30%

4. Leela Lohiya	Shareholding at the beginning of	Cumulative Shareholding during
-----------------	----------------------------------	--------------------------------

		the year		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		500	1.00%	500	1.00%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	500	1.00%
At the End of the year				<b>500</b>	<b>0.03%</b>

5. Pankaj Baheti		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		0	0.00%	0	0.00%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	0	0.00%
At the End of the year				<b>0</b>	<b>0.00%</b>

6. Mahak Sinhvi		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		0	0.00%	0	0.00%
Date	Reason for Increase / (Decrease)				
-	-	0	0.00%	0	0.00%
At the End of the year				<b>0</b>	<b>0.00%</b>

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				

	Secured Loans excluding deposits	Unsecured Loans	Depo sits	Total Indebtedness
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Change in Indebtedness during the financial year				
• Addition	0.00	22475472.06	0.00	22475472.06
• Reduction	0.00	(22475472.06)	0.00	(22475472.06)
Net Change	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Goverdhan Das Lohiya	Ritesh Lohiya	Priti Lohiya	Total Amount
		WTD	WTD	MD	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	450000	60000	350000	860000
	(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	0	0	0
4.	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0

5.	Others, please specify	0	0	0	0
	Total (A)	450000	60000	350000	860000
	Ceiling as per the Act				1128431

## B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	3. Independent Directors	Pankaj Baheti	Mahak Singhvi	
	• Fee for attending board committee meetings	0	0	0
	• Commission			
	• Others, please specify			
	Total (1)	0	0	0
	4. Other Non-Executive Directors	Leela Lohiya		
	• Fee for attending board committee meetings	0	-	0
	• Commission			
	• Others, please specify			
	Total (2)	0	-	0
	Total (B) = (1 + 2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act			

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary		Shivani Arora	Ritesh Lohiya	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	30000	240000	270000
	(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)	0	0	0	0



	Income- tax Act, 1961				
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>30000</b>	<b>240000</b>	<b>270000</b>

**VII. 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	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

## ANNEXURE "II"

**DISCLOSURE OF PARTICULARS OF EMPLOYEES' PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Sub Section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosures	
I.	The ratio of remuneration to each director to the median remuneration of the employees for the financial year	MD	0.12 Times
		WTD	0.16 Times
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	MD	NA
		WTD	NA
		CS	NA
III.	The percentage increase in the median remuneration of employees in the financial year	NA	
IV.	The number of permanent employees on the rolls of the Company as on 31st March, 2018	39	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	NA	
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

**ANNEXURE-III****Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

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

There were no contracts, arrangements or transactions entered into during the year ended march 31, 2018, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

The details of material contracts, arrangements or transactions in the ordinary course of business and at arm's length basis for the year ended March 31, 2018 are as follows:

Name(s) of the related Party	Nature of relationship	Nature of contracts Arrangements/ Transaction	Duration of Contracts Arrangements/ Transactions	Salient terms of the Contract or Arrangement or transaction including the value, if any	Date(s) of approval by the board	Amount paid as advances, if any
Goverdhan Das lohiya	Director of the Company and Proprietor of Rajasthan Chemical Corporation	Rent	Regular	Rs. 2,25,000 (Rs. 45,000 p.m.)	10/07/2017	Nil
Ritesh Lohiya HUF	HUF of Director	Rent	Regular	Rs. 2,75,000 (Rs. 55,000 p.m.)	01/09/2017	Nil
Priti Lohiya	Managing Director	Purchase of business	-	Rs. 1,54,38,600	07/10/2017	Nil
Priti Lohiya	Managing Director	AGREEMENT OF MANAGING DIRECTOR Dated December 5 <sup>th</sup> , 2017	5 Years	Salary at the rate of Rs. 70,000 (Rupees Seventy Thousand only) per month with a yearly increment of 20%..	11/11/2017	Nil

**ANNEXURE IV****NOMINATION AND REMUNERATION POLICY**

OF

**PRITI INTERNATIONAL LIMITED****INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of section 178 of the Companies Act, 2013 and shall act as guidelines on matters relating to pay equitable remuneration to the directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

**KEY OBJECTIVE AND PURPOSE OF THE POLICY**

The objectives and purpose of this policy are:

- A. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and
- B. To recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees and making recommendations to the Board with respect to non-executive officer compensation, incentive-compensation and equity based plans that are subject to the Board's approval;
- C. To address the following items: committee member qualifications; committee member appointment and removal; committee structure and operations; and committee reporting to the Board;
- D. To formulate the criteria for evaluation of performance of all the directors on the Board;
- E. To devise a policy on Board diversity; and
- F. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.
- G. Consider any other matters as may be requested by the Board.

**CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the nomination and remuneration committee of the Board on **DECEMBER 05<sup>TH</sup>, 2017**. The Board has authority to reconstitute this committee from time to time in order to make it consistent with Company's applicable policies and statutory requirements.

**DEFINITIONS**

1. **'Act'** means The Companies Act, 2013 and rules made thereunder, as amended from time to time.
2. **'The Board'** means Board of Directors of the Company.
3. **'Directors'** means Directors of the Company.
4. **'The Committee'** means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and other applicable laws and regulations.
5. **'The Company'** means PRITI INTERNATIONAL LIMITED.
6. **'Independent Director'** means a director referred to in Section 149(6) of the Companies Act, 2013 and rules.
7. **'Key Managerial Personnel (KMP)'** means :
  - The Managing Director or the Chief Executive Officer or the manager and Whole-time Director;
  - The Company Secretary; and
  - The Chief Financial Officer
8. **'Senior management'** means personnel of the Company who are members of its core management team excluding the Board comprising all members of management one level below the executive directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**GENERAL**

This Policy is divided into three parts:

Part – A      Covers the matters to be dealt with and recommended by the committee to the Board;

Part – B      Covers the appointment and nomination; and

Part – C      Covers remuneration and perquisites etc

This policy shall be included in the Board's report.

**PART – A: Matters to be dealt with perused and recommended to the Board, by the nomination and remuneration committee.**

The following matters shall be dealt with by the committee:

- (a)      **Size and composition of the Board**

Periodical review of the size and composition of the Board so as to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole

**(b) Directors**

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board.

**(c) Succession plans**

Establishing and reviewing Board and senior executive succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and senior management.

**(d) Evaluation of performance**

Make recommendations to the Board on appropriate performance criteria for the directors. Formulate the criteria and framework for evaluation of performance of every director on the Board of the Company. Identify ongoing training and education programs for the Board to ensure that non-executive directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties. The committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process, in accordance with the Board.

**(e) Diversity policy.**

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act.

**(f) Remuneration framework and policies**

The committee is responsible for reviewing and making recommendations to the Board on:

- The remuneration of the managing director, whole-time directors and KMPs;
- The total level of remuneration of non-executive directors and for individual remuneration for non-executive directors and the Chairman, including any additional fees payable for membership of Board committees;



- The remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts, having regard to the need to :
  - attract and motivate talent to pursue the Company's long-term growth;
  - demonstrate a clear relationship between executive compensation and performance; and
  - Be reasonable and fair, having regard to the best governance practices and legal requirements.
- The Company's equity-based incentive schemes, including a consideration of performance thresholds and regulatory and market requirements;
- The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- The Company's remuneration reporting in the financial statements and remuneration report.

## **PART – B: Policy for the appointment and removal of directors, KMPs and senior management**

### **A. Appointment criteria and qualifications**

The criteria for the appointment of directors, KMPs and senior management are as follows:

- The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management level and recommend to the Board his/her appointment.
- A person to be appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- A person, to be appointed as director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.
- The Company shall not appoint or continue the employment of any person who has attained the age of 70 years as managing director /executive director, and shall not

appoint any person who has attained the age of 70 years as independent director. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for the extension of appointment beyond 70 years as the case may be.

- A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of the Company.

### **Term / Tenure**

#### **(I) Managing director / whole-time director**

The Company shall appoint or re-appoint any person as its managing director or whole-time director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

#### **(II) Independent director**

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

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiry of three years of ceasing to become an independent director.

Provided that an independent director shall not, during this period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an independent director for five years or more in the Company as on such date as may be determined by the committee as per legal requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of an independent director, it should be ensured that the number of Boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time (executive) director of a listed company.

### **B. Removal**

Due to any of the reasons for disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the committee may recommend to the Board with reasons recorded in writing the removal of a director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

### **C. Retirement**

The whole-time directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## **PART – C: Policy relating to the remuneration of directors, KMPs and other employees**

### **General**

1. The remuneration / compensation / commission to directors will be determined by the committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the managing director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders in the case of managing director.
4. Where any insurance is taken by the Company on behalf of its managing director, chief financial officer, the company secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Remuneration of KMPs and other employees**

#### **POLICY ON THE REMUNERATION OF KMPS AND OTHER EMPLOYEES:**

#### **I. Fixed pay**

The remuneration and reward structure for employees comprises two broad components — annual remuneration and long-term rewards. The committee would determine the

remuneration of the directors and formulate guidelines for the remuneration payable to the employees. These guidelines are as under:

**(A) Annual remuneration**

- Annual remuneration refers to the annual compensation payable to the employees of the Company.
- This comprises two parts –
  - a fixed component and
  - a performance-linked variable component based on the extent of achievement of the individual's objectives and performance of the business unit.
- Every employee is required to sign a performance contract which clearly articulates the key performance measures for that particular defined role.
- The performance-linked variable pay will be directly linked to the performance on individual components of the performance contract and the overall performance of the business. An employee's variable pay would, therefore, be directly dependent on key performance measures that represent the best interests of shareholders.
- The objective is to set the total remuneration at levels that would attract, motivate and retain high-caliber, high-potential personnel in a competitive global market.
- The total remuneration level is to be reset annually based on a comparison with the relevant peer group globally, established through independent compensation surveys, from time to time.

**(B) Long-term rewards**

- Long-term rewards may include Long-Term Incentive Plans (LTIP), under which incentives would be granted to eligible key employees based on their contribution to the performance of the Company, relative position in the organization, and length of service under the supervision and approval of the committee.
- The Company could implement various long-term awards schemes that could include LTIP spread over several years with payouts in multiple tranches linked to Company's performance.
- Another form of long-term awards could be in the nature of stock options of the Company. Stock options may be granted to key employees and high performers in the organization who would be selected by the committee based on their criticality, past performance and potential. The grant, vesting and other scheme details would be formulated from time to time.
- These long-term reward schemes are implemented to attract and retain key talent in the industry.

**II. Minimum remuneration to managing director**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its managing director in accordance with the provisions of

Schedule V of the Companies Act, 2013 or, if it is not able to comply with such provisions, with the prior approval of the Central Government.

### **III. Remuneration to non-executive / independent directors**

- a) The remuneration payable to Directors who are neither managing Directors nor whole time Directors will be governed as per the provisions of the Companies Act, 2013 and the rules framed there under from time to time.
- b) Sitting Fees: These Directors may receive remuneration by way of fees for attending meetings of the board or any Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1 lac (One Lac) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) Remuneration: Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013. Independent Directors shall not be entitled to any stock options of the company under the Companies Act, 2013.

### **POLICY REVIEW**

This policy is framed based on the provisions of the Companies Act, 2013. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.

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CFO CERTIFICATION

To,  
PRITI INTERNATIONAL LIMITED  
PLOT NO.F-43, BASNI IST PHASE,  
JODHPUR, RAJASTHAN- 342005 INDIA  
CIN: U36994RJ2017PLCO58454

Dear Members of the Board,

I have reviewed the Financial Statements and the cash flow statement of Priti International Limited for the year ended 31st March, 2018 and to the best of my knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) 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.

There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

We have indicated to the Auditors and the Audit Committee:

- (a) that there are no significant changes in internal control over financial reporting during the year;
- (b) that there are no significant changes in accounting policies during the year; and
- (c) that there are no instances of significant fraud of which we have become aware

FOR PRITI INTERNATIONAL LIMITED

Mr. Ritesh Lohiya

Place :- Jodhpur

Date :- 03/12/2018

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

Dear Members of the Priti International Limited,

I hereby declare that all the Members of the Board and Senior Management Personnel of the Company are aware of the provisions of the Code of Conduct laid down by the Board. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

FOR PRITI INTERNATIONAL LIMITED

Mrs. Priti Lohiya  
Managing Director  
DIN: 07789249

Place :- Jodhpur  
Date :- 03/12/2018

## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
PRITI INTERNATIONAL LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **PRITI INTERNATIONAL LIMITED** which comprise the Balance Sheet as at **31<sup>st</sup> March 2018**, & the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014. 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 detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing



standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

## **Opinion**

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

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2018;
- ii. in the case of the statement of profit and loss, of the profit for the year ended on that date;
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rule, 2014 and
  - e. on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. 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, 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.;
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

**For J.K. DAGA AND ASSOCIATES**

*CHARTERED ACCOUNTANTS*

*FRN : 0010314C*

**RAJESH KUMAR DAGA**

PARTNER

*MRN- 401479*

Place : Jodhpur

Date : 28.09.2018

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**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Annexure A referred to in paragraph 1 under the heading “Report on Other legal and regulatory requirements” of our report of even date)**

- I. In respect of companies fixed assets
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, title deeds of the immovable properties are held in the name of the company.
- II. We are informed that physical verification of inventory has been conducted at reasonable intervals during the year by the management. The discrepancies noticed between physical stocks and book records were not material.
- III. The company has, during the year, not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, the requirements of Clause (iii) (a) and Clause (iii) (b) of paragraph 3 of the Order not applicable to the Company.
- IV. In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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- VI.** As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- VII.** According to explanation and information given to us
- a) The Company is regular in depositing undisputed statutory dues and according to the information and explanations given to us, no undisputed amounts payable in respect of specified statutory dues applicable to it, were in arrears, as on 31.03.2018, for a period more than six months from the date they became applicable.
  - b) According to the information and explanations given to us, there are no specified statutory dues applicable to the Company which have not been deposited on account of any dispute.
- VIII.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution or bank.
- IX.** The Company has during the year, not taken any term loans and has not raised any money by way of public issue, and hence, question of its application for the purpose for which it was obtained, does not arise.
- X.** According to the information and explanations given to us and based on our audit procedures, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- XI.** According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act..
- XII.** According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

- XIII.** According to the information and explanations given to us and based on our examination of the records, all transactions with the related parties are in compliance with section 188 of Companies Act, where applicable and details have been disclosed in the Financial Statements etc., as required by applicable accounting standards, however, the provisions of section 177 of the Companies Act, 2013 are not applicable to the company.
- XIV.** According to the information and explanations given to us, the company has made preferential allotment or private placement of shares during the year under review. All the requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose of which funds were raised.
- XV.** According to the information and explanations given to us, the company has entered into non-cash transaction with its director. Accordingly, all the requirements of section 192 of Companies Act, 2013 have been complied with.
- XVI.** According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company

**For J.K. DAGA AND ASSOCIATES**

*CHARTERED ACCOUNTANTS*

*FRN : 0010314C*

**RAJESH KUMAR DAGA**

PARTNER

*MRN- 401479*

Place : Jodhpur

Date : 28.09.2018

**ANNEXURE - B TO THE AUDITORS' REPORT****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 **PRITI INTERNATIONAL LIMITED** ("The Company") as of 31 March 2018 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 authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**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 2018, 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. However, we are of the opinion that the company can make the Internal Controls on Financial Reporting more adequate and more effective considering the inherent risk and nature and size of the business activities carried out by the company.



***Forming an Opinion and Reporting on Financial Statements***

**For J K DAGA & ASSOCIATES**

**Chartered Accountants**

**Firm Registration No.- 010314C**

**Place : JODHPUR**

**Date : 28.09.2018**

**RAJESH KUMAR DAGA**

**Membership No.- 401479**

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2018**

<b>PARTICULARS</b>	<b>NOTE NO.</b>	<b>AS ON MARCH, 31 2018</b>
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' Funds</b>		
a) Share Capital	3	1,89,35,320.00
b) Reserves and Surplus	4	2,45,24,521.96
c) Money received against share warrants		-
		<b>4,34,59,841.96</b>
<b>2. Share application money pending allotment</b>		-
<b>3. Non Current Liabilities</b>		
a) Long Term Borrowings		-
b) Deferred Tax Liabilities (Net)		-
c) Other Long term liabilities		-
d) Long term provisions		-
<b>4. Current Liabilities</b>		
a) Short Term Borrowings		-
b) Trade Payables	5	2,95,12,649.08
c) Other Current liabilities	6	73,58,164.48
d) Short term provisions	7	21,24,215.60
		<b>3,89,95,029.16</b>
<b>TOTAL</b>		<b>8,24,54,871.12</b>
<b>B. ASSETS</b>		
<b>1. Non-Current Assets</b>		
a) Fixed Assets		
Tangible Assets	8	76,35,385.63
b) Non-Current Investment	9	10,08,107.00
c) Deferred tax assets (net)	10	77,294.00
d) Long-Term Loans and Advances		-
e) Other non-current assets		-
		<b>87,20,786.63</b>
<b>2. Current Assets</b>		
a) Current investments		-

b) Inventories	11	90,11,319.00
c) Trade receivables	12	4,05,14,306.10
d) Cash and cash equivalents	13	6,73,338.47
e) Short-term loans and advances	14	1,93,643.97
f) Other current assets	15	2,33,41,476.95
		<b>7,37,34,084.49</b>
<b>TOTAL</b>		<b>8,24,54,871.12</b>
Notes forming part of the financial statements	1 & 2	

*As per our report of even date*

**For J.K. DAGA AND ASSOCIATES**

CHARTERED ACCOUNTANTS

FRN : 0010314C

**FOR & ON BEHALF OF THE BOARD**

**RAJESH KUMAR DAGA**

PARTNER

MRN- 401479

**PRITI LOHIYA**

MANAGING DIRECTOR

DIN : 07789249

**RITESH LOHIYA**

CFO CUM DIRECTOR

DIN : 07787331

Place : Jodhpur

Date : 28.09.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(Amount in Rs.)

PARTICULARS	Note No.	March 31, 2018
<b>CONTINUING OPERATIONS</b>		
1. Revenue from Operations	16	9,70,60,583.05
2. Other Income	17	28,88,526.38
<b>3. TOTAL REVENUE</b>		<b>9,99,49,109.43</b>
<b>4. EXPENSES</b>		
a) Cost of Materials Consumed	18	8,07,78,161.12
b) Purchases of Stock-in-Trade		-
c) Changes in inventories	19	(90,11,319.00)
d) Employee Benefit Expenses	20	28,21,251.00
e) Finance Cost		-
f) Depreciation and Amortization expense	21	7,35,722.25
g) Other Expenses	22	1,42,00,984.10
<b>TOTAL EXPENSES</b>		<b>8,95,24,799.47</b>
5. Profit before tax		<b>1,04,24,309.96</b>
6. Tax Expenses		
a) Current Tax Expenses		28,99,472.00
b) Deferred Tax Expenses		-77,294.00
<b>7. Profit (Loss) for the period</b>		<b>76,02,131.96</b>
8. Earnings per equity share:		
Basic and Diluted	23	8.18
Notes forming part of the financial statements	1 & 2	

*As per our report of even date*

**For J.K. DAGA AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN : 0010314C**

**FOR & ON BEHALF OF THE BOARD**

**RAJESH KUMAR DAGA**  
**PARTNER**  
**MRN- 401479**

**PRITI LOHIYA**  
**MANAGING DIRECTOR**  
**DIN : 07789249**

**RITESH LOHIYA**  
**CFO CUM DIRECTOR**  
**DIN : 07787331**

Place : Jodhpur

Date : 28.09.2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(Amount in Rs.)

PARTICULARS	March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit before tax	1,04,24,309.96
Adjustments for:	
Depreciation and Amortisation	7,35,722.25
Interest Received on Bank deposit	(2,17,240.96)
<b>Operating Profit before working capital changes</b>	
Movements in Working Capital	
Increase In Receivables	(1,62,49,783.44)
Decrease in Loans and advances	10,01,444.00
Increase In GST	(1,41,97,867.31)
Decrease In Drawback	9,03,246.00
Decrease In Vat Receivable	11,03,897.00
Decrease In Service Tax receivable	4,30,753.00
Increase In Stock	(21,05,766.00)
Increase In Advance From Buyers	8,37,789.99
Increase in Duties & Taxes	1,33,006.00
Increase in provisions	2,89,284.60
Increase in Creditors	1,88,71,377.34
<b>Cash Generated From Operations</b>	<b>19,60,172.43</b>
Less: Tax paid	(12,00,000.00)
<b>Net Cash Generated From Operating Activities</b>	<b>7,60,172.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Fixed Assets	(10,00,000.00)
Investment in Fixed Deposit	(1,44,199.93)
Cash and Bank received in takeover of Priti International	28,96,415.01
Interest Received on Bank deposit	2,17,240.96
<b>Net Cash Generated From Investing Activities</b>	<b>19,69,456.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Capital	5,00,000.00
Share Issue Expenses	(16,14,310.00)
Pre Incorporation Expenses	(9,41,980.00)
<b>Net Cash Generated From Financing Activities</b>	<b>(20,56,290.00)</b>
Net Increase in Cash and Cash Equivalents	6,73,338.47
Add: Cash and Cash Equivalents in the beginning of the year	-
Cash and Cash Equivalents at the end of the year	<b>6,73,338.47</b>

<b>Components of Cash and Cash equivalent</b>	
<b>Cash in Hand</b>	<b>6,22,969.30</b>
<b>Balances with Banks</b>	<b>50,369.17</b>

*As per our report of even date*

**For J.K. DAGA AND ASSOCIATES**  
*CHARTERED ACCOUNTANTS*  
*FRN : 0010314C*

**FOR & ON BEHALF OF THE BOARD**

**RAJESH KUMAR DAGA**  
*PARTNER*  
*MRN- 401479*

**PRITI LOHIYA**  
*MANAGING DIRECTOR*  
*DIN : 07789249*

**RITESH LOHIYA**  
*CFO CUM DIRECTOR*  
*DIN : 07787331*

Place : Jodhpur  
Date : 28.09.2018

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
ENDING ON MARCH 31<sup>ST</sup>, 2018**

**1. CORPORATE INFORMATION**

Priti International Limited was incorporated on 30th June, 2017 and has acquired the running business of Proprietorship Concern of its Promoter Priti Lohiya viz. M/s. Priti International through Business Succession Agreement dated November 11, 2017. Consequently, Business of this proprietorship firm was merged into Priti International Limited.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**i. Basis of preparation of Financial Statements:**

These financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except in case of assets for which provision for impairment for certain financial instruments which are measured at fair value.

All amounts included in the financial statements are reported in absolute figures of Indian Rupees.

**ii. Presentation and disclosure of financial statements:**

During the year end 31<sup>ST</sup> March 2018, the company has presented the financial statements as per the Schedule III notified under the Companies Act, 2013. The company has also reclassified the previous figures in accordance with the requirements applicable in the current year.

**iii. Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, if any at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**iv. Takeover of Business of M/S Priti International**

The company has taken over the running business M/s Priti international, proprietorship firm of its promoter Mrs. Priti lohiya. This take over is completed vide business succession agreement dated 11.11.2017 (being attached herewith). Consequently, business of this proprietorship firm was merged into

Priti International Limited. In the business succession agreement, company has acquired all the assets and liabilities of M/s Priti International against purchase consideration of Rs. 1,54,38,600.00 . Company has discharged the purchase consideration by issue of 15,43,860 Equity Shares at face value of Rs. 10 each to Mrs. Priti Lohiya.

The unsecured loans taken over in business succession agreement were also discharged by issue of Equity Shares of the company.

As per business succession agreement all the transaction executed after this agreement in M/s Priti International will be treated as of been executed on behalf of company.

**v. AS – 10:- Fixed Assets and Depreciation thereon:**

Fixed Assets are stated at cost net of CENVAT/ GST and VAT less depreciation and impairment loss, if any. Cost of fixed assets comprises of purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. All other repairs and maintenance costs are recognized in Statement of profit and loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during the year is proportionately charged. The company has applied the estimated useful life as specified in Schedule II and calculated depreciation based on rates worked as per applicable accounting standard and guidance note issued by ICAI as under:-

<b>Assets</b>	<b>Period</b>
Furniture and Fixture	10 years
Plant and Furniture	15 years
Vehicles	8 years
Office Equipments	5 years
Computers and Printers	3 years
Factory Building	30 years

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.



**vi. AS-9:- Revenue Recognition**

Revenue of the company mainly consists of export sales. Other revenue sources are domestic sales, online domestic sales, interest income, duty drawback received from customs, Exchange fluctuation from export sales, discount received. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The Company collects Goods and Service tax as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Revenue from domestic and export sales are recognized in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received. In case of Export Sales significant risks and rewards is transferred as soon as sales container is dispatched from port.

Revenue from interest is recognized as soon as bank credit the same to account.

Revenue from duty drawback is recognized when the right to receive the same is established.

Revenue from exchange fluctuation is recognized on the date on which monetary items are settled or on Balance Sheet date for outstanding monetary items considering the exchange rate applicable on that date.

Revenue from discount is recognized as soon as right to receive is established.

**vii. AS- 2:- Inventory Valuation**

Inventories include finishing material which is valued at cost or net realizable value whichever is lower. Due to the scale of Inventory It is not possible for management to give quantitative details.

**viii. AS-11:-Foreign Exchange Transactions**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transactions or at rates that closely approximates the rate at the date of transaction. Monetary assets (export debtors) denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference arising on settlement of monetary items or on reporting at each balance sheet date of the company's monetary items at the closing rates are recognized as income or expenses in the period which they arise.

**ix. AS-15:- Employee Benefits**

Employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. These comprise of salaries and wages. The company does not pay the leave salary. Defined contributions to Provident Fund and Employee State Insurance Corporation are charged to the statement of Profit & Loss of the year, when the employee renders the related service. There are no

other obligations other than the contribution payable to the respective statutory authorities. The Company is required to assess its liability for gratuity based on actuarial valuation done as per Accounting Standard 15 and make provision for the same each year accordingly. However, no provision for gratuity has been created in the books of accounts of our Company. This may adversely affect the profitability of the Company at the time of discharge of such gratuity liability in future.

**x. AS-16:-Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing cost are charged to Statement of Profit and Loss for the period for which they are incurred.

**xi. AS-17:-Segment Reporting**

Information about primary segments

S. No.	Particulars	Year ended 31 <sup>st</sup> March, 2018		
		Wooden and Iron Handicraft	Textile Handicraft	Total
(i)	Segment Revenue	8,62,33,689.11	1,08,54,489.33	9,70,88,178.44
	External Sales	8,62,33,689.11	1,08,54,489.33	9,70,88,178.44
	Inter- Segment Sales	-	-	-
(ii)	Segment Results			
	Profit/(loss) before interest and taxes	17174114.29	5036366.73	22210481.02
	Unallocated (expenses)/ income (net)			(12003412.02)
	Interest Expenses			-
	Interest Income			217240.96
	Profit/(loss) before tax			<b>10424309.96</b>
(iii)	Segment Assets	23710091.55	1937933.66	25648025.21
	Unallocated			56806845.91
		<b>23710091.55</b>	<b>1937933.66</b>	<b>82454871.12</b>
(iv)	Segment Liabilities	21633833.50	4810506.38	26444339.88

	Unallocated			12550689.28
				<b>38995029.16</b>
(vi)	Depreciation	74036.97	653.13	74690.10
	Unallocated			661032.15
		<b>74036.97</b>	<b>653.13</b>	<b>735722.25</b>
(vii)	Non cash expense other than Depreciation (unallocated)	-	-	-

**xii. AS-18:-Related Party Disclosures**

Related party transactions showing related parties and their relationships are enumerated in the table below:-

Name of Related Party	Relationship	Amount	Nature of Transaction
Priti Lohiya	Director	3,50,000.00	Director's Remuneration
Goverdhan das Lohiya	Director	4,50,000.00	
Ritesh lohiya	Director	3,00,000.00	
Goverdhan Das lohiya	Director	2,25,000.00	Rent
Ritesh Lohiya HUF	HUF of Director	2,75,000.00	

**xiii. AS-20:-Earning per Share**

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Particulars	As at March 31, 2018
Net Profit After Tax (Rs.)	7602131.96
Number of Shares outstanding at the end of the year	1893532

Weighted Average number of shares	929778
Basic Earning Per Share (EPS)	8.18

xiv. **AS-22:-Accounting for taxes on income**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset is created due to difference in Depreciation charged in Statement of Profit and Loss A/c and calculated as per Income Tax Act.

Particulars	As at March 31, 2018
Opening Deferred Tax Asset	0
Deferred tax Income credited to Statement of profit and loss account	77294.00
<b>Deferred Tax Asset Transferred t/f Balance Sheet</b>	<b>77294.00</b>

3. SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31 <sup>st</sup> 2018
<b>Authorised Share Capital</b>	
60,00,000 Equity Shares of ` 10/- Par Value	6,00,00,000.00
	<b>6,00,00,000.00</b>
<b>Issued, Subscribed and Fully Paid Up</b>	
18,93,532 Equity Shares of ` 10/- Par Value	1,89,35,320.00
	<b>1,89,35,320.00</b>

The Company has only one class of equity shares having a face value of Rs. 10/-per share. Each holder of equity shares is entitled to one vote per share.

**Holding More Than 5%**

Particulars	As at 31 <sup>st</sup> 2018	
	No. of Shares	% Held
1. Priti Lohiya	15,58,360.00	82.30%

2. Ritesh lohiya HUF	1,18,266.00	6.25%
3. Goverdhan Das Lohiya HUF	1,11,974.00	5.91%

**4. RESERVES AND SURPLUS****A. Securities Premium Accounts****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Balance at the beginning of the year	-
Add: On Equity Shares issued during the year	1,94,78,680.00
Less: Utilised for Share Issue Expenses in IPO	-16,14,310.00
Less: Utilised for Incorporation Expense	-9,41,980.00
	<b>1,69,22,390.00</b>

**B. Profit And Loss Account****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Balance at the beginning of the year	-
Add: Surplus transferred from Statement of Profit and Loss	76,02,131.96
	<b>76,02,131.96</b>

**5. TRADE PAYABLES****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Sundry Creditors for goods	2,45,49,078.39
Sundry Creditors for expenses	49,63,570.69
	<b>2,95,12,649.08</b>

**6. OTHER CURRENT LIABILITIES****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Advance from Buyers	73,58,164.48
Outstanding Expenses	75,000.00
	<b>74,33,164.48</b>

**7. SHORT TERM PROVISIONS****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Electricity Payable A/c	48,976.50
EPF Payable	41,288.00

Provision for Income Tax	16,79,006.10
Salary Payable	6,952.00
Wages Payable	1,37,534.00
TDS Payable	1,35,459.00
	<b>20,49,215.60</b>

**8. FIXED ASSETS**

(Amount in Rs.)

Particulars	Gross				Depreciation				Net
	Openin g	Addition	Ded uctio n	Closing	Openin g	Addition	Ded uctio n	Closing	Closing Value As at March 31, 2018
<b>Building</b>									
Factory Shed	-	32,19,069.00	-	32,19,069.00	-	65,448.99	-	65,448.99	31,53,620.00
<b>Plant and Machinery</b>									
Compressor	-	1,16,932.00	-	1,16,932.00	-	4,106.45	-	4,106.45	1,12,825.55
Machinery	-	1,04,410.00	-	1,04,410.00	-	4,481.53	-	4,481.53	99928.47
Power Generator	-	1,46,854.00	-	1,46,854.00	-	5,157.26	-	5,157.26	141696.74
Sewing Machine	-	18,598.00	-	18,598.00	-	653.13	-	653.13	17944.87
Weighing Machine	-	6,996.00	-	6,996.00	-	415.97	-	415.97	6580.03
Transformer	-	1,07,175.00	-	1,07,175.00	-	3,053.75	-	3,053.75	104121.25
<b>Office Equipments</b>									
Air Conditioner	-	5,459.00	-	5,459.00	-	5,459.00	-	5,459.00	0.00
Camera	-	3,386.00	-	3,386.00	-	327.00	-	327.00	3,059.00
Cooler	-	3,757.00	-	3,757.00	-	362.83	-	362.83	3394.17
Cycle	-	360.00	-	360.00	-	360.00	-	360.00	0.00
Mobile	-	40,556.00	-	40,556.00	-	1,740.76	-	1,740.76	38815.24
Battery/invertor	-	38,961.00	-	38,961.00	-	3365.26	-	3365.26	35595.74
Photo Copy Machine	-	21,771.00	-	21,771.00	-	4,205.08	-	4,205.08	17565.92
<b>Computer</b>									
Computers and Printers	-	26,191.58	-	26,191.58	-	26,191.58	-	26,191.58	0.00
<b>Vehicles</b>									
Car	-	39,39,398.00	-	39,39,398.00	-	507264.95	-	507264.95	3432133.05

Particulars	Gross				Depreciation				Net
	Openin g	Addition	Ded uctio n	Closing	Openin g	Addition	Ded uctio n	Closing	Closing Value As at March 31, 2018
Car Ford	-	5,22,949.00	-	5,22,949.00	-	101007.96	-	101007.96	421941.04
<b>Furniture and Fixtures</b>									
Fan	-	32,052.10	-	32,052.10	-	1,273.63	-	1,273.63	30,778.47
Furniture	-	16,233.20	-	16,233.20	-	847.10	-	847.10	15,386.10
<b>Grand Total</b>		<b>83,71,107.88</b>		<b>83,71,107.88</b>		<b>7,35,722.25</b>		<b>7,35,722.25</b>	<b>76,35,385.63</b>

## 9. NON CURRENT INVESTMENTS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Fixed Deposit with IDBI Bank	10,00,000.00
Security Deposits	8,107.00
	<b>10,08,107.00</b>

## 10. DEFFERED TAX ASSESTS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Opening balance	-
Deferred Tax Asset Charged to P & L	72,294.00
<b>Deferred Tax Asset Transferred t/f Balance Sheet</b>	<b>72,294.00</b>

## 11. INVENTORIES

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Finished Material Stock	4,22,295.00
Handicrafts Items stock	77,72,083.00
Jewellery Stock	1,84,896.00
Packing Material Stock	2,94,485.00
Textile Material Stock	3,37,560.00
	<b>90,11,319.00</b>

## 12. TRADE RECEIVABLES

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Unsecured for considered good	
(a) Outstanding for a period less than 6 months	4,05,14,306.10
(b) Outstanding for a period exceeding 6 months	-
	<b>4,05,14,306.10</b>

## 13. CASH AND CASH EQUIVALENTS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Cash in hand	6,22,969.30
IDBI A/c 058102000032559 (Priti international)	15,475.02
IDBI BANK A/C 0058102000086198	34,894.15
	<b>6,73,338.47</b>

## BANK RECONCILIATION STATEMENT

(Amount in Rs.)

IDBI Bank 0058102000086198

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
<b>Balance as per bank</b>	7,68,094.76
Less:- Cheque Presented in Bank but not cleared	7,33,200.61
<b>Balance as per books</b>	<b>34,894.15</b>

## 14. SHORT TERM LOAN &amp; ADVANCES

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Advance for Expenses	1,93,643.97
	<b>1,93,643.97</b>

## 15. OTHER CURRENT ASSETS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Drawback from Customs	13,30,892.00
GST Receivable	2,00,25,672.37
Service Tax Receivable	86,655.51
VAT Receivable	18,98,257.07
	<b>2,33,41,476.95</b>



## 16. REVENUE FROM OPERATIONS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
<b>Sales of products</b>	
Export Sales	9,69,30,595.40
Domestic Sales	1,29,987.65
	<b>9,70,60,583.05</b>

## 17. OTHER INCOME

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Drawback	13,03,054.00
Exchange Fluctuation	13,27,724.43
Interest Income	2,17,240.96
Discount and Rebate	12,911.60
Misc. Income	27,595.39
	<b>28,88,526.38</b>

## 18. COST OF RAW MATERIALS CONSUMED

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Opening Stock	-
Add: Purchases	8,07,78,161.12
Less: Closing Stock	-
	<b>8,07,78,161.12</b>

## 19. CHANGE IN INVENTORIES OF FINISHED GOODS

(Amount in Rs.)

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
<b>Increase in Inventories</b>	
Finished Material Stock	4,22,295.00
Handicrafts Items stock	77,72,083.00
Jewellery Stock	1,84,896.00
Packing Material Stock	2,94,485.00
Textile Material Stock	3,37,560.00
	<b>90,11,319.00</b>

**20. EMPLOYEE BENEFIT EXPENSES****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Wages Exp	11,98,523.00
Labour Welfare	38,433.00
Director Remuneration	11,00,000.00
Employee provident Fund	1,07,295.00
Salary Expense	3,77,000.00
	<b>28,21,251.00</b>

**21. DEPRECIATION EXPENSES****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Depreciation on Tangible Assets	7,35,722.25
	<b>7,35,722.25</b>

**22. OTHER EXPENSES****(Amount in Rs.)**

<u>Particulars</u>	<u>As at 31<sup>st</sup> 2018</u>
Advertisement Expense	41,734.88
Bank Commission Charges	7,06,492.06
Carriage Inward	2,88,549.90
Clearing and transportation	53,11,651.28
Discount	1,41,632.10
Electricity Exp	1,75,983.00
Insurance Expenses	76,198.00
International Fair Participation Expense	17,01,099.75
Job work charges	46,11,997.00
Legal and Professional Charges	2,52,864.00
Other Office Expenses	1,22,834.63
Printing Expense	87,247.00
Rent Expenses	5,12,504.00
Telephone and Mobile Expenses	20,585.00
Travelling Expenses	1,24,584.50
Water Expenses	25,027.00
	<b>1,42,00,984.10</b>

**23. EARNINGS PER EQUITY SHARE****(Amount in Rs.)**

<b><u>Particulars</u></b>	<b><u>As at 31<sup>st</sup> 2018</u></b>
Net Profit After Tax (Rs.)	7602131.96
Weighted Average number of shares	929778
<b>Basic Earnings Per Share (EPS)</b>	<b>8.18</b>

*As per our report of even date***For J.K. DAGA AND ASSOCIATES****FOR & ON BEHALF OF THE BOARD***CHARTERED ACCOUNTANTS**FRN : 0010314C***RAJESH KUMAR DAGA***PARTNER**MRN- 401479***PRITI LOHIYA***MANAGING DIRECTOR**DIN : 07789249***RITESH LOHIYA***CFO CUM DIRECTOR**DIN : 07787331*

Place : Jodhpur

Date : 28.09.2018

**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]*

CIN:	U36994RJ2017PLC058454
Name of the company:	PRITI INTERNATIONAL LIMITED
Registered office:	Plot No. F-43, Basni 1st Phase, Jodhpur (Raj.)

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 the following persons as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 1<sup>ST</sup> Annual general meeting of the company, to be held on the 31/12/2018 at 11:00 a.m. at Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

	<b>Proxy 1</b>	<b>Proxy 2 (on Failing Proxy 1)</b>	<b>Proxy 3 (on Failing Proxy 1 and 2)</b>
Name:			
Address:			
E-mail Id:			
Signature			

Resolution No.:

- 1 For Adoption of Financial Statements and Report of Board of Directors
- 2 For Appointment of Mr. Ritesh Lohiya (DIN: 07787331) as an Executive Director liable to retire by rotation.
- 3 For the appointment of, and the fixing of the remuneration of, the auditors; and
- 4 For Re-appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326) as Whole-time Director of the Company after attaining the age of 70 years during his term of appointment

Signed this..... day of..... 20....

Signature of Shareholder:

Affix  
Revenue  
Stamp

Signature of Proxy holder(s) : (1) (2) (3)

**Note: 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.**

**ATTENDANCE SLIP**

Venue of the Meeting      Plot No. F-43, Basni 1st Phase, Jodhpur (Rajasthan) India  
Day Date and Time      Monday, 31<sup>ST</sup> December, 2018 at 11.00 A.M.

Please fill attendance slip and hand it over at the entrance of the meeting venue

Name of Member(s)  
Registered Address  
Email ID  
Dp Id\*  
Client Id\*  
Folio No.  
No. of Shares Held

\* Applicable For Investors Holding Shares In Electronic Form.

I certify that I am the Registered Shareholder(S)/Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 1<sup>st</sup> Annual General Meeting of the Company on Monday, 31<sup>st</sup> December, 2018 at 11.00 A.M. at Plot No. F-43 Basni Ist Phase Jodhpur Rajasthan-342001

Signature of Member/Proxy

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**Procedure and Instructions for Attendance Registration**

\*Attendance Registration: Members are requested to Tender their Attendance Slip at the Registration Counters at the Venue of the Annual General Meeting (AGM) and seek Registration before entering the meeting hall.