



**2<sup>ND</sup> ANNUAL REPORT**

**2018-2019**

**PRITI INTERNATIONAL LIMITED**

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

CIN: L36994RJ2017PLCO58454

PHONE: 91-9314225699

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

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

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

Chairman & Whole-time 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
Mr. Pankaj Baheti	Independent Director

**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

**Address other than R/o  
where books of account  
and papers are maintained**

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

---

INDEX

1. Chairmen's Words
2. Notice of 2<sup>nd</sup> Annual General Meeting
3. Route Map to Venue of AGM
4. Proxy Form
5. Attendance Slip
6. Director's Report
7. Management Discussion and Analysis Report
8. Annexure I – Extract of Annual Return
9. Annexure II – Disclosure on Particulars of Employees
10. Annexure III – Disclosure of particulars of contracts/arrangements entered into by the company with related parties
11. Annexure IV – Nomination and Remuneration Policy
12. Annexure V- Secretarial Audit Report
13. CFO Certification
14. Declaration for Compliance with Code of Conduct
15. Auditor's Report
16. Balance Sheet
17. Statement of Profit and Loss
18. Cash Flow Statement
19. Notes to Financial Statements

**Words from the Chairman**

Dear Shareholders,

I and the Board of Directors of the company welcome you to the 2<sup>nd</sup> Annual General Meeting of the “PRITI INTERNATIONAL LIMITED”. The company has delivered good performance during the year as we made steady progress in transforming the Company into a leaner and more globally-focused player. It was indeed an eventful year as we have clocked tremendous growth in terms of revenue as well as profit for the year.

With a strong financial performance during year and purposeful strides on strategic milestones, the uptick is likely to sustain over the coming years at a moderated pace directed towards our vision of expanding Handicraft business globally as well as locally. Highlighting the financial achievements for the year:

- Total Revenue for the year Rs. 2420.48 Lacs
- Profit before tax was Rs. 266.34 Lacs
- Profit after tax was Rs. 192.05 Lacs

Stepping up our commitment to the vision-backed strategy of establishing a domestic market segment was successful. We executed well against core operating initiatives across the business, worked hard to grow the market position by focusing our technological development towards conversion of waste into useful product and deliver true value products to our Customers. As an individual we all are accountable for the contribution made to the planet’s pollution and waste buildup but we as a corporate body are engaged in the activity of recycling waste, which is a step towards Green India.

We are working on the technologies of the future to provide seamless access and a better quality of products and outstanding experiences to customers. We are committed to make people’s lives better by changing the way the world moves. We are committed to creating value and delivering long-term profitable growth for our stakeholders.

Finally, I would like to thank our customers around the world for their business and their trust. I would also like to thank our employees for the wonderful work they do day-in and day-out to earn this trust, and to help our customers in their transformation journey.

Goverdhan Das Lohiya  
Chairman and Whole-time Director

### **Notice of 2<sup>nd</sup> Annual General Meeting**

NOTICE is hereby given that the 2<sup>nd</sup> Annual General Meeting of the Members of PRITI INTERNATIONAL LIMITED will be held on **Monday, 30th September, 2019 at 11.00 A.M.** at the Registered Office of the Company situated at Plot No. F-43, Basni 1<sup>st</sup> Phase, Jodhpur-342001 (Rajasthan) 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 31<sup>st</sup>, 2019 together with the reports of the Board of Directors ("the Board") and auditors thereon.

**2. To Appoint Mr. Goverdhan Das Lohiya (DIN: 07787326) as an Executive Director liable to retire by rotation**

To appoint Mr. Goverdhan Das Lohiya as a Director, who retires by rotation and being eligible & offers himself for re-appointment and pass following ordinary resolution:

*"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act 2013, Mr. Goverdhan Das Lohiya (DIN: 07787326), 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."*

#### **AS SPECIAL BUSINESS:**

**3. To keep Registers and Returns at a place other than Registered office of the Company**

To consider and if thought fit to pass with or without modification following resolution as special resolution:

*"RESOLVED THAT pursuant to section 94(1), and any other applicable provisions of the Companies Act, 2013 approval of members be and is hereby accorded to keep and maintain all the Registers and Records of Minutes of Meetings including Register of Members and copies of Annual Returns prepared under Section 92 together with the copies of certificates and documents required to be annexed thereto be kept at the head office of Company located at 1, BASEMENT, ABHAY CHAMBERS, OPPOSITE SBI BANK, JALORI GATE, JODHPUR, 342001 RAJASTHAN instead of keeping and maintaining the same at the Registered Office of the Company".*

**4. To approve the Revisions in the terms of payment of remuneration to Ms. Priti**

**Lohiya, Managing Director (DIN 07789249)**

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

*“RESOLVED THAT in partial modification to the resolution passed by the members in the Extra-ordinary General Meeting held on December 05, 2017 and the Agreement of Managing Director dated December 05, 2017 executed between the Company and Ms. Priti Lohiya and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in the payment of remuneration to Ms. Priti Lohiya (DIN: 07789249), Managing Director effective 1<sup>st</sup> October, 2019 till the remaining period of her tenure, subject to yearly increase of 20%, as stated in the Explanatory Statement annexed to the Notice.”*

*“RESOLVED FURTHER THAT the Board of Directors (which includes any committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”*

*“RESOLVED FURTHER THAT except for the revision in the remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.”*

*“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company”*

**5. To approve the Revisions in the terms of payment of remuneration to Mr. Goverdhan Das Lohiya, Whole-time Director (DIN 07787326)**

To consider and if thought fit, to pass with or without modification, the following

resolution as an Ordinary Resolution:

*“RESOLVED THAT in partial modification to the resolution passed by the members in the Annual General Meeting held on December 31, 2018, and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in the payment of remuneration to Mr. Goverdhan Das Lohiya (DIN: 07787326), Whole-time Director effective 1<sup>st</sup> October, 2019 till the remaining period of his tenure, subject to yearly increase of 20%, as stated in the Explanatory Statement annexed to the Notice.”*

*“RESOLVED FURTHER THAT the Board of Directors (which includes any committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.”*

*“RESOLVED FURTHER THAT except for the revision in the remuneration, all other terms and conditions of appointment, as approved earlier by the members, and which are not dealt with in this resolution, shall remain unaltered.”*

*“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company”*

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

**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

-Sd/-  
Monika Gandhi  
(Company Secretary)  
04-09-2019  
Place: Jodhpur



**Explanatory Statements**  
**(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. 3, 4 & 5 of the accompanying Notice:

**Item # 3 – For Keeping Registers and Returns at a Place other than Registered Office of the Company.**

The Provision of Section 94 of the Companies Act, 2013 and the Rules made there under requires every company to keep and maintain the Statutory Records and Statutory Registers including the Register to be maintained under Section 88 along with the Annual Returns filed under section 92 at the registered office of the company.

However, such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members resides, if approved by a special resolution passed at a general meeting of the company.

The Company is having its administrative functions from its head office which is situated at 1, BASEMENT, ABHAY CHAMBERS, OPPOSITE SBI BANK, JALORI GATE, JODHPUR 342001 RAJASTHAN. Considering the need to streamline and update the Records on timely basis, the Board has proposed to keep the Statutory Records and Registers including the Register to be maintained under Section 88 along with the Annual Returns at its Head office instead of keeping and maintaining the same at its registered office which is situated at Plot no. F-43, Basni I Phase, Jodhpur, Rajasthan - 342005 India. Further, the Board has ensured that the total number of members entered in the register of members resides nearby Place where the Statutory Records and Registers including the Register to be maintained under Section 88 along with the Annual Returns are proposed to be kept.

In view of the above, it is proposed to maintain, preserve and authenticate the Statutory Records and Registers including the Register to be maintained under Section 88 along with the Annual Returns; at its head office situated at 1, BASEMENT, ABHAY CHAMBERS, OPPOSITE SBI BANK, JALORI GATE, JODHPUR, 342001 RAJASTHAN, instead of maintaining the same at Registered Office of the Company.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

**Item # 4 Revisions in the terms of payment of remuneration to Ms. Priti Lohiya, Managing Director (DIN 07789249)**

The Nomination and Remuneration Committee, in its meeting held on September 02<sup>nd</sup>, 2019 recommended and the Board of Directors, in its meeting held on September 02<sup>nd</sup>, 2019, approved for payment of remuneration of Rs. 125,000/- per month, to Ms. Priti Lohiya (holding DIN 07789249), as Managing Director of the Company with effect from October 1<sup>st</sup>, 2019, with annual increase of 20%, for remainder of duration of appointment i.e. upto December 04, 2022

Ms. Priti Lohiya is a Science graduate having more than 20 years of experience in textile, and Handicraft business. She is looking after the key manufacturing and domestic market functions of the Company. The increased payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Managing Director of the Company.

The details of Ms. Priti Lohiya in pursuance of the provisions of the Listing Agreement are mentioned in Annexure. Approval of the shareholders is sought for remuneration payable for the remaining period of existing appointment to Ms. Priti Lohiya as Managing Director of the Company.

Except for the aforesaid revision in the remuneration, all other terms and conditions of her appointment as Managing Director of the Company as approved by the members shall remain unaltered.

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

**Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013:**

Mr. Goverdhan Das Lohiya, Chairman & Whole-time Director, Mrs. Leela Lohiya, Non-Executive Director and Mr. Ritesh Lohiya, CFO and Executive Director are relatives of Mrs. Priti Lohiya, Managing Director, hence all four are deemed to be interested in above resolution. Further, all four are promoters of the Company.

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the resolution,

wherein such contract or arrangement is considered for approval. Therefore, none of the promoter group entity will vote on the above resolution.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise, in the above resolutions.

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

**Item # 5 Revisions in the terms of payment of remuneration to Mr. Goverdhan Das Lohiya, Whole time Director (DIN 07787326)**

The Nomination and Remuneration Committee, in its meeting held on September 02<sup>nd</sup>, 2019 recommended and the Board of Directors, in its meeting held on September 02<sup>nd</sup>, 2019, approved for payment of remuneration of Rs. 130,000/- per month, to Mr. Goverdhan Das Lohiya (holding DIN 07787326), as Whole-time Director of the Company with effect from October 1<sup>st</sup>, 2019, with annual increase of 20%, for remainder of duration of appointment i.e. upto December 30, 2023.

Mr. Goverdhan Das Lohiya is a co-promoter and Executive Director of the Company and having over 25 years of industry. He has excellent grasp and thorough knowledge and experience of not only Business Functions but also of general management. The increased payment of remuneration was approved by the Board based on industry standards, responsibilities handled by the Whole-time Director of the Company.

The details of Mr. Goverdhan Das Lohiya in pursuance of the provisions of the Listing Agreement are mentioned in Annexure. Approval of the shareholders is sought for remuneration payable for the remaining period of existing appointment to Mr. G. D. Lohiya as Whole-time Director of the Company.

Except for the aforesaid revision in the remuneration, all other terms and conditions of his appointment as Whole-time Director of the Company as approved by the members shall remain unaltered.

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

**Disclosure of nature of concern or interest, financial or otherwise u/s 102 of Companies Act, 2013:**

Ms. Priti Lohiya, Managing Director, Mrs. Leela Lohiya, Non-Executive Director and Mr. Ritesh Lohiya, CFO and Executive Director are relatives of Mr. G.D. Lohiya, Whole-time Director-Chairman, hence all four are deemed to be interested in above resolution. Further, all four are promoters of the Company.

As per second proviso to section 188 (1) of the Companies Act 2013, if any member is a related party in any contract or arrangement, then that party shall not vote in the resolution, wherein such contract or arrangement is considered for approval. Therefore, none of the promoter group entity will vote on the above resolution.

Except above, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is in any way concerned or interested, financially or otherwise, in the above resolutions.

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

#### Annexure

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

Name of the Director	Priti Lohiya	Goverdhan Das Lohiya
Date of Birth (Age)	34 Years	71 Years
Nationality	Indian	Indian
Date of Original Appointment	June 30 <sup>th</sup> , 2017	June 30 <sup>th</sup> , 2017
Expertise in specific Functional areas	Textile and Handicraft	Textile and Handicraft
Qualification	Bachelor of Science	Bachelor of Commerce
Number of Shares held in the Company	15,58,360 Equity Shares	14,800 Equity Shares
Number of Board Meetings Attended during the Year (2018-19)	13 out of 13	13 out of 13
Directorships in other Companies	Nil	Nil
Membership of committees in other Companies	Nil	Nil
Details of Remuneration sought	Rs. 125,000 P. M. w.e.f. 1 <sup>st</sup> October 2019	Rs. 130,000 P. M. w.e.f. 1 <sup>st</sup> October 2019

**NOTES:**

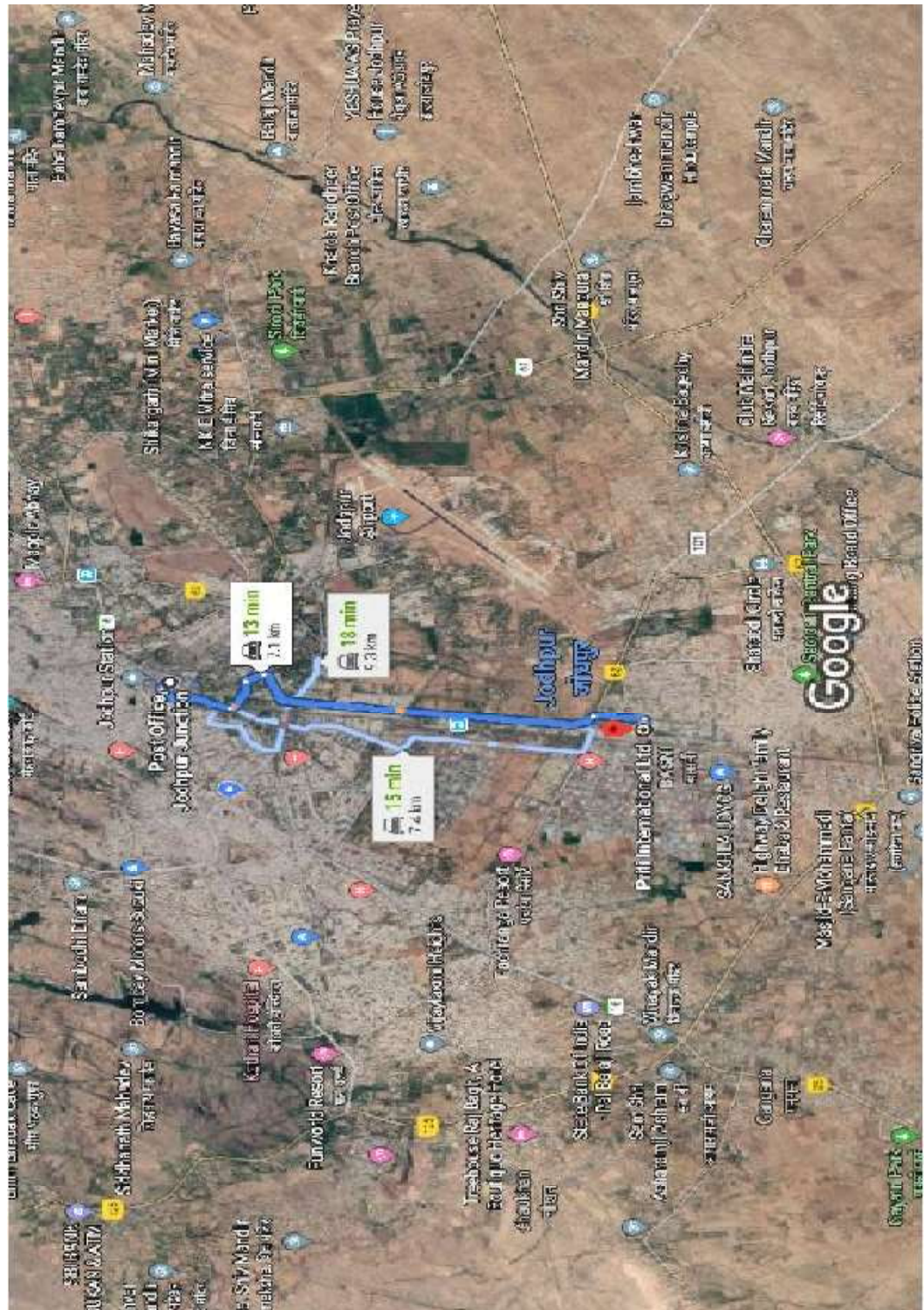
1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him and proxy need not be a member of the company. Proxies in order to be effective must be received by the company at its registered office at least 48 hours before the 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 19th 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 2018-19 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 2018-19 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



**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:	L36994RJ2017PLC058454
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 2<sup>nd</sup> Annual general meeting of the company, to be held on the Monday, 30<sup>th</sup> September, 2019 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. Goverdhan Das Lohiya (DIN: 07787326) as an Executive Director liable to retire by rotation.
- 3 For keeping Registers and Returns at a place other than Registered office of the Company; and
- 4 Revisions in the terms of payment of remuneration to Ms. Priti Lohiya, Managing Director (DIN 07789249)
- 5 Revisions in the terms of payment of remuneration to Mr. Goverdhan Das Lohiya, Whole time Director (DIN 07787326)

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

Signature of Shareholder:

Signature of Proxy holder(s) : (1)

(2)

Affix  
Revenue  
Stamp

**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, 30th September, 2019 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 2<sup>nd</sup> Annual General Meeting of the Company on Monday, 30th September, 2019 at 11.00 A.M. at Plot No. F-43 Basni Ist Phase Jodhpur Rajasthan-342001

Signature of Member/Proxy

-----

**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.

## DIRECTORS' REPORT

To  
The Members  
Priti International Limited

Your Directors are pleased to present their 2<sup>nd</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 31<sup>st</sup> March, 2019.

### 1. FINANCIAL RESULTS

Financial Results of your company for the year 2018-19 are summarized below:-

Particular	2018-19	2017-18 (for FY 30 <sup>th</sup> June 2017-31 <sup>st</sup> March 2018)
Income from Operations (A)	24,20,47,499.44	9,70,60,583.05
Other Income (B)	1,37,77,434.58	28,88,526.38
Total Revenue (A+B)	<b>25,58,24,934.02</b>	<b>9,99,49,109.43</b>
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	2,90,50,891.03	1,11,60,032.21
Finance Cost	4,56,275.00	-
Depreciation and Amortization	19,60,346.42	7,35,722.25
<b>Profit Before Tax</b>	<b>2,66,34,269.61</b>	<b>1,04,24,309.96</b>
Tax Expenses	74,29,361.00	28,22,178.00
<b>Profit After Tax</b>	<b>1,92,04,908.61</b>	<b>76,02,131.96</b>

### RESULTS OF OPERATIONS OF COMPANY'S AFFAIRS:

The Highlights of the Company's performance for the Financial Year 2018-19 are:

- Value of Turnover **increased** by Rs.1449.87 Lakhs.
- Domestic sales showed a tremendous growth with an increase of Rs. 85.45 Lakhs during the year
- Profit before Tax **increased** by **38.54%** reaching to Rs. 266.34 Lakhs.

India's exports hit a new high of \$331 billion in the last Financial Year leading to prosperous growth in value-added product segments of exports. The Company has delivered an impressive revenue growth during the year aided largely by effective export-oriented

policies. Further, a growing share of newer units in domestic market in the overall mix resulted in contributing positively towards the revenue generation.

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

The company is engaged in the activities of Domestic as well as Export trade of Wooden Handicraft and textile products. There has been no significant change in the business carried on by the company.

## **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. PROCEEDS FROM PUBLIC ISSUES**

During the previous year ended on March 31, 2019, the Company has issued 700,800 Equity shares through Initial Public Offer ('IPO') at the Issue Price of Rs. 75 each (including premium of Rs. 65) raising capital of Rs. 5.256 Crores. Out of 700,800 shares issued, 35,200 shares were reserved for the Market Makers and the remaining shares were issued to Public. Pursuant to Regulation 32 of the SEBI LODR, the Company hereby confirms that there has been no deviation in the use of IPO proceeds from the objects stated in the prospectus.

## **5. 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.

## **6. 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, 2019, your Company has not proposed to carry or transfer any amount to the General Reserve Account or any other specific reserve.

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

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

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

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Rules, the Company is required to transfer the shares in respect of which dividends have remained unclaimed/ unpaid for a period of seven consecutive years to the IEPF Account established by the Central Government.

However, the company transferred the profits earned during the previous financial year to the Reserves and Surplus and no Dividend was declared. Therefore, there are no amounts lying as Unclaimed Dividend in the Company.

## 9. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report.

## 10. EXTRACTS OF ANNUAL RETURN

The Extract of Annual Return as required under section 134(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"**.

## 11. MEETINGS OF THE BOARD OF DIRECTORS

As required by clause (b) of sub-section (3) of Section 134 of the Companies Act, 2013, your directors report that during the Financial Year 2018-19, the Company held 13 meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1	Tuesday, May 29, 2018	6	5
2	Thursday, June 14, 2018	6	5
3	Monday, June 18, 2018	6	5
4	Tuesday, June 19, 2018	6	5
5	Friday, July 20, 2018	6	5
6	Friday, September 28, 2018	6	5
7	Friday, October 05, 2018	6	5
8	Thursday, November 15, 2018	6	6
9	Friday, November 23, 2018	6	6
10	Monday, December 03, 2018	6	6

11	Monday, February 11, 2019	6	5
12	Monday, March 04, 2019	6	5
13	Saturday, March 30, 2019	6	6

### GENERAL MEETINGS

During the year under review 2 Extra-ordinary general meetings were held in the company on 8<sup>th</sup> March, 2019 and 30<sup>th</sup> March, 2019.

### 12. 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.

### 13. AUDITORS AND REPORT THEREON STATUTORY AUDITORS

M/s J. K. Daga & Associates; Chartered Accountants of Jodhpur were appointed as Statutory Auditors of the company to hold office for a period of five years, from the AGM held in the year 2018 till the conclusion of the its Sixth (6th) AGM of the Company to be held in calendar year 2023 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.

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, 2019 is annexed to the Financial Statements.

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, 2019.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Ms. REEPTIKA BARMERA, Practicing Company Secretary (C.P. No. 16551, ACS Membership No. 43565) was appointed as Secretarial Auditor of the Company for the Purpose of Conducting the Secretarial Audit for the F.Y. 2018-19. The Secretarial Audit Report is annexed herewith marked as **Annexure V** to this Report. The Secretarial Audit does not contain any qualification, reservation, adverse remark or disclaimer.

The Company has made timely submissions of all the disclosures to the Stock Exchanges pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) except for two instances viz. intimation under regulation 33 (delay in filing of half yearly financial results) and regulation 6(1) (delay in Appointment of New compliance officer being Companies Secretary) of SEBI Listing Regulations, which were inadvertently delayed.

#### **INTERNAL AUDITORS**

Pursuant to Section 138 of Companies Act, 2013 and the Companies (Accounts) Rules, 2014, Ms. KHUSHBOO SIKHWAL, Chartered accountant (Membership no: 429815) was appointed as internal auditor of the company to carry out the internal audit for three (3) consecutive financial years commencing from FY 2018-19 to FY 2020-21, at a remuneration Rs. 75,000/- Per Annum and such other terms as may be specified by Board from time to time.

The auditor evaluates the adequacy of internal controls and concurrently reviews majority of the transactions in value terms. Internal auditors periodically appraise the Audit Committee on findings/observation of Internal Audit and actions taken thereon. During the year, the Audit Committee met regularly to review reports submitted by the Internal Audit. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

#### **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.

#### **14. 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.

#### **15. 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 2018-19.

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**".

#### **16. 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**”

## **17. 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 already having strict control systems to monitor day to day power consumption.

(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	2018-19	2017-18 (11 <sup>th</sup> nov-31 <sup>st</sup> mar)
Foreign Exchange Earnings	2,333.72	969.30
Foreign Exchange Outgo	0.00	0.00

## 18. 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 is in place. The Board regularly keeps a check and ensures that elements of risk threatening on the Company's existence are very minimal.

## 19. 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. Further, there were no appointments/cessation of Directors and KMP's during the year under review except for the re-appointment of Director retiring by rotation at ensuing Annual General Meeting of the Company.

### 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. Goverdhan Das Lohiya (DIN: 07787326) 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.

## 20. 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.

## 21. 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 2018-19. 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**

Performance evaluation of the Board, the Board Committees and individual Directors was carried out in accordance with the Policy approved by the Nomination & Compensation Committee in this regard, synopsis of which is provided in the *Management Discussion and Analysis Report* in the Report and Accounts.

## 22. 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:**

S. No.	Name of Director	Accepted during the year	Repaid During the year	Closing Balance (As on 31-03-2019)
1.	Mr. Goverdhan Das Lohiya	70,00,000.00	70,00,000.00	0.00

## 23. 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.

**24. 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.

**25. 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 6 (six) Committee meetings were convened and held on the following date:

S. No	Day and date
1.	Friday, June 08, 2018
2.	Thursday, September 20, 2018
3.	Wednesday, November 14, 2018

4.	Monday, January 14, 2019
5.	Friday, February 22, 2019
6.	Friday, March 22, 2019

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	6	6
2.	Mr. Goverdhan Das Lohiya	6	6
3.	Mr. Mahak Singhvi	6	6

### **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 behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for protected disclosures for the whistle blower. 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, Whole-time 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	Member

		Director	
--	--	----------	--

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 4 (Four) Committee meetings were convened and held on the following date:

S. No	Day and date
1.	Friday, June 08, 2018
2.	Monday, December 03, 2018
3.	Monday, January 14, 2019
4.	Saturday, March 30, 2019

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	4	4
2.	Mrs. Leela Lohiya	4	4
3.	Mr. Mahak Singhvi	4	4

#### **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

Further to the same, in terms of Regulation 20(2A), the Constitution of the Stakeholders Relationship Committee is being amended to include Mr. Pankaj Baheti, being independent director in the Meeting of the Board Held on May 24<sup>th</sup>, 2019.

During the year 3 (THREE) Committee meeting were convened and held on the following date:

S. No	Day and date
1.	Friday, June 08, 2018
2.	Tuesday, November 27, 2018
3.	Saturday, March 30, 2019

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

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

## 26. 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.

## 27. 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.

## 28. 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 2018-19, the Company has received no complaint on sexual harassment.

## 29. 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**

Date: 02-09-2019

Place: Jodhpur

-Sd/-	-Sd/-
RITESH LOHIYA	PRITI LOHIYA
(CFO-cum-Director)	(Managing Director)
DIN: 07787331	DIN: 07789249



---

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **A. Industry Structure and Developments**

The global upswing in economic activity is strengthening, with global growth projected to 3.9 percent in 2019. The handicrafts sector is important for the Indian economy as it is one of the largest employment generators and accounts for a significant share in the country's exports. Handicraft exports from India increased by 1.65 per cent year-on-year during April-November 2018 to US\$ 2.42 billion. During this period, the exports of various segments registered positive growth like Wood-wares (23.57 per cent), and Miscellaneous Handicrafts (19.74 per cent), etc.

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

#### Opportunities

- Global Market: Globalization, Liberalization and policies of Government for FDI, etc. provide wide opportunities for export of our main products- textile, garments and wooden furniture.
- Opportunity Driven Business: With improving business eco-system, stable macroeconomic indicators and a liberal FDI regime, it is expected to provide a boost to the business growth and investments in the long run.
- The Corporation can improve its results by installing new and upgraded manufacturing facilities.

#### Threats

- Global Competition: Different countries are positioning themselves in Handicraft export by increased and better technological support and advanced Research & Development facility in the competing countries.
- Industry Structures: Competition from manufacturer exporter as well as private players who have a lean structure and flexible policies.
- Changing customer preferences and uncertainty in season change predictability requires the companies to be flexible and quick as well to keep pace with the changing expectations.

### **C. Outlook**

In 2019, the cyclical upswing underway since mid-2018 continued to strengthen and the global economy witnessed a pickup in growth. Your management and employees have made efforts and implemented strategies for reducing the operating costs and increasing

the sales over wider market. The vision is to increase the market share as well as develop strategies to eradicate the maximum foreseeable risks.

**D. Risks and Concerns**

Stiff competition and high conversions costs continue to be the major risk for the Handicraft sector. Also, due to the second year of business, the costs are covered at slow pace.

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

The company has systematic Internal Control System commensurate with the size and operations of the company. Such controls have been assessed by the internal auditors of the company and thus, providing reasonable assurance with regard to safeguarding the Company's assets, review of operational efficiency and effectiveness of risk management. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

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

The company has reported a steady growth in term of Revenue as well as profits. Increase in Revenue by Rs. 1449.87 Lakhs and profit after tax by Rs. 116.03 Lakhs were reported for the year. The company has witnessed an expansion in market segment due to hard work by the team of employees and management.

**G. Segment-wise or product-wise performance**

The Company is engaged in the business of manufacturing wooden furniture and textiles. Also, the Company has its customers in India as well as outside India. Accordingly, the segment reporting for the company has been annexed with the Financial Statements under Notes to Accounts.

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

Your Company is making efforts to maintain competence of its manpower. The idea of success is on the belief that learning initiatives must remain synergistic and aligned to business outcome, provide a supportive environment and promote learning agility.

**I. FINANCIAL PERFORMANCE AND ANALYSIS**

The discussions in this section relate to the financial results pertaining to the year that ended March 31, 2019. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements.

The following table gives an overview of the consolidated financial results of the Company:

Rs. Lakhs

	FY 2019	% of Revenue	% Growth	FY 2018	% of Revenue
Revenue	2420.47	100%	149.38%	970.61	100%
Earnings before interest, tax, depreciation and amortization (before other income)	290.51	12%	160.31%	111.60	11.50%
Profit Before Tax (PBT)	266.34	11%	155.50%	104.24	10.74%
Profit after tax attributable to shareholders of the Company	192.05	7.93%	152.63%	76.02	7.83%
Earnings per share (in Rs.)	7.90		-3.42%*	8.18	

\* Decrease in EPS is due to increase in Share Capital raised through IPO.

**J. RATIO ANALYSIS:**

The Company has witnessed a significant change in the financial ratios as compared to previous year which are as follows:

<u>S.no.</u>		<u>UNITS</u>	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
<b><u>Ratios –Financial Performance</u></b>				
<b>i.</b>	Operating Profit Margin	%	11.19	10.74
<b>ii.</b>	Net Profit Margin	%	7.93	7.83
<b><u>Ratios -Growth</u></b>				
<b>i.</b>	Total Revenue	%	155.96	NA
<b>ii.</b>	EBITDA	%	160.31	NA
<b>iii.</b>	Profit After Tax	%	152.63	NA
<b><u>Ratios- Balance Sheet</u></b>				
<b>i.</b>	Debtors Turnover	Times	5.12	4.79
<b>ii.</b>	Inventory Turnover	Times	24.40	21.54
<b>iii.</b>	Interest Coverage Ratio	Times	59.37	NA
<b>iv.</b>	Current Ratio	Times	3.25	1.89
<b>v.</b>	Debt Equity Ratio	Times	NA	NA

**Annexure - I****FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31<sup>st</sup>, 2019***[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:-   | L36994RJ2017PLC058454   |
| ii)  | Registration Date   | June 30 <sup>th</sup> , 2017  |
| iii) | Name of the Company   | <b>Priti International Limited</b>  |
| iv)  | Category / Sub-Category of the Company                                    | Company limited by Shares   |
| v)   | Address of the Registered office and contact details                      | Plot No. F-43, Basni 1st Phase<br>Jodhpur, Rajasthan, India<br>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<br>1 <sup>st</sup> Floor, Bharat Tin Works Building<br>Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059<br>Maharashtra, India.<br>Email: investor@bigshareonline.com<br>Telephone No: +91 22 6263 8200<br>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	3.93%
2	Manufacture of furniture	3100	96.07%

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

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

S. NO	NAME AND ADDRESS	CIN/GLN	HOLDING/ SUBSIDIA RY/ASSOCI	% of shares held	Applicable Section
-------	------------------	---------	-----------------------------	------------------	--------------------

	OF THE COMPANY		ATE		
1	NA				

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

i) Category-wise Share Holding

[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	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	6048	-	6048	0.23%	0.23%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	5,700	5,700	0.30%	132100	-	132100	5.09%	4.79%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	568352	-	568352	21.91%	21.91%
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	5,700	5,700	0.30%	706500	-	706500	27.23%	26.93%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	5,700	5,700	0.30%	706500	-	706500	27.23%	26.93%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1893532	1893532	100%	2594332	-	2594332	100%	-

## (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	14800	0.78%	0%	14800	0.57%	0%	-0.21%
2	Ritesh Lohiya	84232	4.45%	0%	84232	3.25%	0%	-1.20%
3	Priti Lohiya	1558360	82.30%	0%	1558360	60.07%	0%	-22.23%
4	Goverdhan Das Lohiya HUF	112074	5.92%	0%	112074	4.32%	0%	-1.60%
5	Ritesh Lohiya HUF	118366	6.25%	0%	118366	4.56%	0%	-1.69%
	<b>Total</b>	<b>1887832</b>	<b>99.70%</b>	<b>0%</b>	<b>1887832</b>	<b>72.77%</b>	<b>0%</b>	<b>-26.93%</b>

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

THERE IS NO CHANGE IN PROMOTER'S SHAREHOLDING EXCEPT FOR THE DECREASE IN PERCENTAGE OF SHARES HELD DUE TO FURTHER ISSUE OF SHARES.

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

1. Vinod Soni		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)				
19/06/2018	Allotment under Initial Public Offer	196800	7.59%	196800	7.59%
At the End of the year				196800	7.59%

2. Sumit Bhutra		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

			company		company
At the beginning of the year		0	0.00%	0	0.00%
Date	Reason for Increase/ (Decrease)				
19/06/2018	Allotment under Initial Public Offer	62400	2.41%	62400	2.41%
At the End of the year				62400	2.41%

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3. Mohammed Zakir		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%
<b>Date</b>	<b>Reason for Increase/ (Decrease)</b>				
06-07-2018	Purchase from Market	4800	0.19%	4800	0.19%
20-07-2018	Purchase from Market	1600	0.06%	6400	0.25%
27-07-2018	Sales in Market	-1600	-0.06%	4800	0.19%
03-08-2018	Purchase from Market	16000	0.62%	20800	0.80%
10-08-2018	Purchase from Market	4800	0.19%	25600	0.99%
17-08-2018	Purchase from Market	22400	0.86%	48000	1.85%
24-08-2018	Sales in Market	-4800	-0.19%	43200	1.67%
21-09-2018	Purchase from Market	7779	0.30%	50979	1.97%
15-03-2019	Sales in Market	-1600	-0.06%	49379	1.90%
29-03-2019	Purchase from Market	976	0.04%	50355	1.94%
30-03-2019	Purchase from Market	216	0.01%	50571	1.95%
<b>At the End of the year</b>				<b>50571</b>	<b>1.95%</b>

		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4. Vivek Soni		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%
<b>Date</b>	<b>Reason for Increase/ (Decrease)</b>				
19/06/2018	Allotment under Initial Public Offer	43200	1.67%	43200	1.67%
<b>At the End of the year</b>		<b>43200</b>	<b>1.67%</b>	<b>43200</b>	<b>1.67%</b>



5. Satish Kumar Prajapat		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)				
20-07-2018	Purchase from Market	9600	0.37%	9600	0.37%
03-08-2018	Purchase from Market	16000	0.62%	25600	0.99%
24-08-2018	Purchase from Market	1600	0.06%	27200	1.05%
28-09-2018	Purchase from Market	1600	0.06%	28800	1.11%
05-10-2018	Purchase from Market	6400	0.25%	35200	1.36%
02-11-2018	Purchase from Market	1341	0.05%	36541	1.41%
16-11-2018	Sales in Market	-1600	-0.06%	34941	1.35%
23-11-2018	Purchase from Market	5059	0.20%	40000	1.54%
22-02-2019	Sales in Market	-1600	-0.06%	38400	1.48%
29-03-2019	Purchase from Market	856	0.03%	39256	1.51%
30-03-2019	Purchase from Market	208	0.01%	39464	1.52%
At the End of the year				39464	1.52%

6. Pukhraj Baheti 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)				
19/06/2018	Allotment under Initial Public Offer	38400	1.48%	38400	1.48%
At the End of the year				38400	1.48%

7. Nand Lal Suthar		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)				
24-08-2018	Purchase from Market	11200	0.43%	11200	0.43%

31-08-2018	Purchase from Market	6400	0.25%	17600	0.68%
07-09-2018	Purchase from Market	1600	0.06%	19200	0.74%
21-09-2018	Purchase from Market	864	0.03%	20064	0.77%
19-10-2018	Purchase from Market	7136	0.28%	27200	1.05%
16-11-2018	Purchase from Market	1600	0.06%	28800	1.11%
30-11-2018	Purchase from Market	176	0.01%	28976	1.12%
14-12-2018	Purchase from Market	403	0.02%	29379	1.13%
01-03-2019	Purchase from Market	2	0.00%	29381	1.13%
22-03-2019	Sales in Market	-1244	-0.05%	28137	1.08%
29-03-2019	Purchase from Market	2169	0.08%	30306	1.17%
30-03-2019	Purchase from Market	11	0.00%	30317	1.17%
<b>At the End of the year</b>				<b>30317</b>	<b>1.17%</b>

8. Mohd Saddiq		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)				
27-07-2018	Purchase from Market	12800	0.49%	12800	0.49%
03-08-2018	Purchase from Market	6400	0.25%	19200	0.74%
28-09-2018	Purchase from Market	1600	0.06%	20800	0.80%
12-10-2018	Sales in Market	-6400	-0.25%	14400	0.56%
19-10-2018	Purchase from Market	9600	0.37%	24000	0.93%
16-11-2018	Sales in Market	-8000	-0.31%	16000	0.62%
23-11-2018	Purchase from Market	8000	0.31%	24000	0.93%
14-12-2018	Sales in Market	-1600	-0.06%	22400	0.86%
28-12-2018	Purchase from Market	1600	0.06%	24000	0.93%
<b>At the End of the year</b>				<b>24000</b>	<b>0.93%</b>

9. Jugal Kishore Baheti 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)				
29-06-2018	Purchase from Market	8000	0.31%	8000	0.31%

20-07-2018	Purchase from Market	4800	0.19%	12800	0.49%
27-07-2018	Purchase from Market	6400	0.25%	19200	0.74%
03-08-2018	Sales in Market	-1600	-0.06%	17600	0.68%
10-08-2018	Purchase from Market	4800	0.19%	22400	0.86%
17-08-2018	Sales in Market	-4800	-0.19%	17600	0.68%
<b>At the End of the year</b>				<b>17600</b>	<b>0.68%</b>

10. Ganesh Baheti 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)				
18-06-2018	Purchase from Market	1600	0.06%	1600	0.06%
30-06-2018	Purchase from Market	20800	0.80%	22400	0.86%
06-07-2018	Purchase from Market	-12800	-0.49%	9600	0.37%
13-07-2018	Sales in Market	11200	0.43%	20800	0.80%
20-07-2018	Purchase from Market	-9600	-0.37%	11200	0.43%
03-08-2018	Sales in Market	-1600	-0.06%	9600	0.37%
10-08-2018	Purchase from Market	6481	0.25%	16081	0.62%
17-08-2018	Sales in Market	-81	0.00%	16000	0.62%
<b>At the End of the year</b>				<b>16000</b>	<b>0.62%</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
At the beginning of the year		14800	0.78%	14800	0.57%
Date	Reason for Increase / (Decrease)				
19/06/2018	IPO Allotment	-	-	0	-0.21%
<b>At the End of the year</b>				<b>14800</b>	<b>0.57%</b>

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		84232	4.45%	84232	4.45%
Date	Reason for Increase / (Decrease)				
19/06/2018	IPO Allotment	-	-	0	-1.20%
At the End of the year				84232	3.25%

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		1558360	82.30%	1558360	82.30%
Date	Reason for Increase / (Decrease)				
19/06/2018	IPO Allotment	-	-	0	-22.23%
At the End of the year				1558360	60.07%

4. Leela 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		500	0.03%	500	0.03%
Date	Reason for Increase / (Decrease)				
19/06/2018	IPO Allotment	-	-	0	-0.01%
At the End of the year				500	0.02%

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)				
-	-	-	-	-	-
At the End of the year				0	0.00%

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)				
At the End of the year				0	0.00%

7. Shivani Arora		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)				
At the End of the year				0	0.00%

8. Monika Gandhi		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)				
At the End of the year				0	0.00%

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	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	70,00,000.00	0.00	70,00,000.00
• Reduction	0.00	(70,00,000.00)	0.00	(70,00,000.00)
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	Priti Lohiya	Total Amount
		WTD	MD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,55,000	8,96,000	20,51,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0

2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	11,55,000	8,96,000	20,51,000
	Ceiling as per the Act	14,34,264	14,34,264	31,55,380

## 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			
		Company Secretary	Company Secretary	CFO	Total
1.	Gross salary	Monika Gandhi	Shivani Arora	Ritesh Lohiya	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,636	30,000	720,000	777,636

	(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
	<b>Total</b>	<b>27636</b>	<b>30000</b>	<b>720000</b>	<b>777636</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	2.89
		WTD	3.73
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	MD	20%
		WTD	27.77%
		CS	13.33%
III.	The percentage increase in the median remuneration of employees in the financial year	22.22%	
IV.	The number of permanent employees on the rolls of the Company as on 31st March, 2019	31	
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, 2019, 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, 2019 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. 5,40,000 (Rs. 45,000 p.m.)	10/07/2017	Nil
Ritesh Lohiya	CFO-cum-Executive Director	Rent	Regular	Rs. 8,40,000 (Rs. 70,000 p.m.)	04/03/2019	Nil
Ritesh Lohiya HUF	HUF of CFO-cum-Executive Director	Rent	Regular	Rs.11,40,000 (Rs. 95,000 p.m.)	04/03/2019	Nil
Leela Lohiya	Non-Executive Director	Rent	Regular	Rs. 5,40,000 (Rs. 45,000 p.m.)	04/03/2019	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.

## **ANNEXURE V**

**Form No. MR-3**

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,**

PRITI INTERNATIONAL LIMITED

(CIN: L36994RJ2017PLC058454)

PLOT NO. F-43 BASNI IST PHASE JODHPUR

RAJASTHAN-342001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRITI INTERNATIONAL LIMITED** having the **CIN: L36994RJ2017PLC058454** (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on MARCH 31<sup>st</sup>, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Not Applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the financial year under review];
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued and delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review];
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not issued and listed any debt securities during the Financial Year under review]and;

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998[Not Applicable as the Company has not bought back/propose to buy back any of its securities during the Financial Year under review];

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India (ICSI).
- (ii) Securities And Exchange Board of India(Listing Obligations and Disclosure Requirements)Regulations,2015

**I further report that** the Company has, in my opinion, complied with the provisions of other Laws applicable to the company namely:

- Employees State Insurance Act, 1948 is applicable to the Company and the Company has complied with all the provisions of the act.
- Employees Provident Fund and Miscellaneous Provisions Act, 1952 is applicable to the Company and the Company has complied with all the provisions of the act.
- Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act 2013.
- All other Labour, Employee and Industrial Laws to the Extent applicable to the Company.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of Minutes.

**I further report that** as represented by the Company and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period, Company has following event/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) The equity share of Company was issued through Initial Public Offering of 700800 equity share of face value of Rs.10 each fully paid for cash at a price of Rs. 75 per Equity Share (the "*Issue Price*") (including a premium of Rs. 65 per Equity Share) aggregating up to Rs. 525.60 Lakhs. The offer was made in term of Rule 26(4) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended ("*SEBI ICDR Regulations*"). The equity shares of the Company were listed and admitted to dealing on the National Stock Exchange of India (NSE) with effect from March 05, 2018.
- (ii) The Company has made appointment of Mrs Monika Gandhi as Company Secretary on resignation of Ms Shivani Arora from the designation during the period under review.
- (iii) Re-appointment of Mr. Goverdhan Das Lohiya (DIN: 07787326), as a Whole-Time Director of the Company for a period of 5 years from December 31st, 2018.

-Sd/-

Signature;

Name: Reeptika Barmera

Practising Company Secretary

ACS No.43565

C P No.16551

Place: Jodhpur

Date: 01<sup>st</sup> September, 2019

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" as an integral part of this report.

**Annexure A to Form MR-3**

To,

**The Members,**

PRITI INTERNATIONAL LIMITED

(CIN: L36994RJ2017PLC058454)

PLOT NO. F-43 BASNI IST PHASE JODHPUR

RAJASTHAN-342001

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2019 of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on report of Statutory Auditors, Tax auditors and Cost Auditors for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the company since the same have been subject to review by respective Auditors and other designated professionals.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

-Sd/-

Signature;

Name: Reeptika Barmera

Practising Company Secretary

ACS No.43565

C P No.16551

Place: Jodhpur

Date: 01<sup>st</sup> September, 2019

---

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, 2019 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

-Sd/-

Mr. Ritesh Lohiya

Place :- Jodhpur

Date :- 24-05-2019



**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

-Sd/-

Mrs. Priti Lohiya

Managing Director

DIN: 07789249

Place :- Jodhpur

Date :- 02-09-2019

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of Priti International Limited

**Report on Audit of the Financial Statements****Opinion**

We have audited the financial statements of Priti International Limited ("the Company"), which comprise the Balance sheet as at 31st March 2019 and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit Matters reportable as per SA 701 issued by ICAI.

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

#### **Management's Responsibilities for the Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

- I. The Company does not have any pending litigations which would impact its financial position;
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

*CHARTERED ACCOUNTANTS*

*FRN : 0010314C*

*-Sd/-*

**RAJESH KUMAR DAGA**

PARTNER

*MRN-401479*

Place: Jodhpur

Date: 24.05.2019

**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.
- 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 31.03.2019, 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 raised money by way of initial public offer aggregating to 5,25,60,000/- by issuing 7,00,800 equity shares at 75/- per share.
- 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(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- XIII. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- XIV. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- XV. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act 2013 are not applicable.
- 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*

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

Place : Jodhpur  
Date : 24.05.2019

**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 2019 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 2019, 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.

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

*CHARTERED ACCOUNTANTS*

*FRN : 0010314C*

*-Sd/-*

**RAJESH KUMAR DAGA**

**PARTNER**

*MRN-401479*

Place : Jodhpur

Date : 24.05.2019

**BALANCE SHEET AS ON 31ST MARCH, 2019**

(Amount in ₹)

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
a) Share capital	3	2,59,43,320.00	1,89,35,320.00
b) Reserves and surplus	4	10,01,87,073.57	2,45,24,521.96
		12,61,30,393.57	4,34,59,841.96
<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		-	-
		0.00	0.00
<b>4. Current liabilities</b>			
a) Short-term borrowings		-	-
b) Trade payables	5	2,59,99,835.16	2,95,12,649.08
c) Other current liabilities	6	66,36,060.67	73,58,164.48
d) Short-term provisions	7	12,90,796.50	21,24,215.60
		3,39,26,692.33	3,89,95,029.16
<b>TOTAL</b>		<b>16,00,57,085.90</b>	<b>8,24,54,871.12</b>
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
a) Fixed assets			
Tangible assets	8	81,05,418.25	76,35,385.63
Capital work-in-progress	9	1,01,79,329.71	-
b) Non-current investments	10	3,11,20,157.63	10,08,107.00
c) Deferred tax assets (net)	11	2,48,669.00	77,294.00
d) Long-term loans and advances	12	1,93,643.97	1,93,643.97
e) Other non-current assets		-	-
		4,98,47,218.56	89,14,430.60
<b>2. Current assets</b>			
a) Current investments		-	-
b) Inventories	13	1,08,25,792.57	90,11,319.00
c) Trade receivables	14	5,40,73,734.66	4,05,14,306.10
d) Cash and cash equivalents	15	1,28,17,371.55	6,73,338.47
e) Short-term loans and advances		-	-
f) Other current assets	16	3,24,92,968.56	2,33,41,476.95
		11,02,09,867.34	7,35,40,440.52
<b>TOTAL</b>		<b>16,00,57,085.90</b>	<b>8,24,54,871.12</b>

For J.K. DAGA AND ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FRN : 010314C

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
 M/S PRITI INTERNATIONAL LIMITED

-Sd/-  
 RAJESH DAGA  
 (PARTNER)  
 MRN- 401479

-Sd/-  
 PRITI LOHIYA  
 (MANAGING DIRECTOR)  
 DIN: 07789249

-Sd/-  
 RITESH LOHIYA  
 (CHIEF FINANCIAL  
 OFFICER)  
 DIN: 07787331

Place : JODHPUR  
 Date : 24.05.2019

-Sd/-  
 MONIKA GANDHI  
 (COMPANY SECRETARY)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

PARTICULARS	Note No.	As at March 31, 2019	As at March 31, 2018
I Revenue from operations	17	24,20,47,499.44	9,70,60,583.05
II Other income	18	1,37,77,434.58	28,88,526.38
<b>III Total Revenue (I+II)</b>		<b>25,58,24,934.02</b>	<b>9,99,49,109.43</b>
<b>IV Expenses</b>			
a) Cost of materials consumed	19	18,81,99,504.74	8,07,78,161.12
b) Purchases of Stock-in-Trade		-	-
c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(18,14,473.57)	(90,11,319.00)
d) Employee benefits expense	21	56,36,468.00	28,21,251.00
e) Finance costs	22	4,56,275.00	-
f) Depreciation and amortization expense	23	19,60,346.42	7,35,722.25
g) Other expenses	24	3,47,52,543.82	1,42,00,984.10
<b>Total expenses</b>		<b>22,91,90,664.41</b>	<b>8,95,24,799.47</b>
VI. Profit before exceptional, extraordinary and prior period items and tax (III-IV)		2,66,34,269.61	1,04,24,309.96
VII. Exceptional items, Extraordinary and Prior Period Item		-	-
<b>VIII. Profit before tax (VI-VII)</b>		<b>2,66,34,269.61</b>	<b>1,04,24,309.96</b>
IX. Tax expense:			
a) Current tax		76,00,736.00	28,99,472.00
b) Deferred tax		(1,71,375.00)	(77,294.00)
X. Profit/(loss) for the period from continuing operations (VIII-IX)		1,92,04,908.61	76,02,131.96
XI. Profit/(loss) from discontinuing operations		-	-
XII. Tax expense of discontinuing operations		-	-
XIII. Profit/(loss) from Discontinuing operations (after tax)		-	-
XIV. Profit/(loss) for the period		<b>1,92,04,908.61</b>	<b>76,02,131.96</b>
xv. Earnings per equity share:			
Basic		7.90	8.18
Diluted		-	-

For J.K. DAGA AND ASSOCIATES  
**CHARTERED ACCOUNTANTS**  
**FRN : 010314C**

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
**M/S PRITI INTERNATIONAL LIMITED**

-Sd/-  
**RAJESH DAGA**  
**(PARTNER)**  
**MRN- 401479**

-Sd/-  
**PRITI LOHIYA**  
**(MANAGING DIRECTOR)**  
**DIN: 07789249**

-Sd/-  
**RITESH LOHIYA**  
**(CHIEF FINANCIAL OFFICER)**  
**DIN: 07787331**

Place : JODHPUR  
Date : 24.05.2019

-Sd/-  
**MONIKA GANDHI**  
**(COMPANY SECRETARY)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

(Amount in ₹)

PARTICULARS	As at March 31, 2019	As at March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	26,634,269.61	1,04,24,309.96
Adjustments for:		
Depreciation and Amortization	19,60,346.42	7,35,722.25
Interest Received on Bank deposit	(28,60,171.97)	(2,17,240.96)
Non-Cash Income	(1,930.94)	-
<b>Operating Profit before working capital changes</b>	<b>2,57,32,513.12</b>	<b>1,09,42,791.25</b>
Movements in Working Capital		
(Increase)/Decrease in Receivables	(1,35,59,428.56)	(1,62,49,783.44)
(Increase)/Decrease in Advance against Goods	(55,17,321.60)	-
(Increase)/Decrease in Loans and advances	-	10,01,444.00
(Increase)/ Decrease in GST	(47,14,028.35)	(1,41,97,867.31)
(Increase)/Decrease in Drawback	4,81,354.00	9,03,246.00
(Increase)/Decrease in Vat Receivable	8,56,389.00	11,03,897.00
(Increase)/Decrease in Service Tax receivable	-	4,30,753.00
(Increase)/ Decrease in Stock	(18,14,473.57)	(21,05,766.00)
(Increase)/ Decrease in Accrued Interest	(2,57,884.66)	-
Increase/ (Decrease) in Advance From Buyers	(7,22,103.81)	8,37,789.99
Increase/ (Decrease) in Duties & Taxes	-	1,33,006.00
Increase/ (Decrease) in provisions	4,666.50	2,89,284.60
Increase/ (Decrease) in Creditors	(35,12,813.92)	1,88,71,377.34
<b>Cash Generated From Operations</b>	<b>(30,23,131.85)</b>	<b>19,60,172.43</b>
Less: Tax paid	(81,79,006.00)	(12,00,000.00)
<b>Net Cash Generated From Operating Activities</b>	<b>(1,12,02,137.85)</b>	<b>7,60,172.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,26,09,708.75)	(10,00,000.00)
Investment in Fixed Deposit	(2,95,61,450.63)	(1,44,199.93)
Cash and Bank received in takeover of Priti International	-	28,96,415.01
Investment in Security Deposits	(5,50,600.00)	-
Interest Received on Bank deposit	26,02,287.31	2,17,240.96
<b>Net Cash Generated From Investing Activities</b>	<b>(4,01,19,472.07)</b>	<b>19,69,456.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Capital	70,08,000.00	5,00,000.00
Proceeds from Securities Premium	5,98,83,952.00	(16,14,310.00)
Share Issue Expenses	(34,26,309.00)	-
Pre Incorporation Expenses	-	(9,41,980.00)
<b>Net Cash Generated From Financing Activities</b>	<b>6,34,65,643.00</b>	<b>(20,56,290.00)</b>
Net Increase in Cash and Cash Equivalents	1,21,44,033.08	6,73,338.47
Add: Cash and Cash Equivalents in the beginning of the year	6,73,338.47	-
Cash and Cash Equivalents at the end of the year	1,28,17,371.55	6,73,338.47
<b>Components of Cash and Cash equivalent</b>		
Cash in Hand	11,91,885.55	6,22,969.30
Balances with Banks	1,16,25,486.00	50,369.17

For J.K. DAGA AND ASSOCIATES  
**CHARTERED ACCOUNTANTS**  
**FRN : 010314C**

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
**M/S PRITI INTERNATIONAL LIMITED**

-Sd/-  
**RAJESH DAGA**  
**(PARTNER)**  
**MRN- 401479**

-Sd/-  
**PRITI LOHIYA**  
**(MANAGING DIRECTOR)**  
**DIN: 07789249**

-Sd/-  
**RITESH LOHIYA**  
**(CHIEF FINANCIAL OFFICER)**  
**DIN: 07787331**

Place : JODHPUR  
Date : 24.05.2019

-Sd/-  
**MONIKA GANDHI**  
**(COMPANY SECRETARY)**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING ON MARCH 31ST, 2019****NOTE 1: CORPORATE INFORMATION**

Priti International Limited ('the company') is a public limited company, limited by shares, domiciled in India and incorporated under the Companies Act 2013. The company got listed on National Stock Exchange (NSE) on 21<sup>st</sup> June 2018.

The Company is mainly engaged in manufacturing and exporting of wooden, metal and textile based furniture and handicrafts products, upcycling and recycling of various kinds of raw, unusable and waste metal and wooden articles. The products range from solid wooden and metal furniture articles, home furnishing items, creative wooden and metal articles for various uses, textile based products like cushions, pillow covers, rugs and carpets, handbags, travel bags and backpacks, pet products, etc.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:****2.1 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.

**2.2 Presentation and disclosure of financial statements:**

During the year end 31ST March 2019, 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.

**2.3 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.

**2.3 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:-

Assets	Period
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.

#### **2.4 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.

### **2.5 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.

### **2.6 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.

### **2.7 AS-13:- Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Long-Term investments are valued at cost and provision for diminution in value thereof is made, wherever such diminution is other than temporary.

### **2.8 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.

### **2.9 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.

**2.10 AS-17:-Segment Reporting**

Information about primary segments

(Rs in Lacs)

S. No.	Particulars	Year Ended	
		31-Mar-19	31-Mar-18
		(Audited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>		
	a) Wooden and Iron Handicraft	2325.29	862.34
	b) Textile Handicraft	95.18	108.54
	<b>Revenue From Operations</b>	<b>2420.47</b>	<b>970.88</b>
<b>2</b>	<b>Segment Results</b>		
	a) Wooden and Iron Handicraft	651.13	171.74
	b) Textile Handicraft	11.82	50.36
	<b>Total Segment Profit before Interest and Tax</b>	<b>662.95</b>	<b>222.10</b>
	(i) Finance Cost	4.56	0.00
	(ii) Interest Income	28.60	2.17
	(iii) un-allocated (Expense)/ Income (net)	-420.65	-120.03
	<b>Profit Before Tax</b>	<b>266.34</b>	<b>104.24</b>
<b>3</b>	<b>Segment Assets</b>		
	a) Wooden and Iron Handicraft	456.11	237.10
	b) Textile Handicraft	15.56	19.38
	c) Unallocated	1128.90	568.02
	<b>Total Segment Assets</b>	<b>1600.57</b>	<b>824.50</b>
<b>4</b>	<b>Segment Liabilities</b>		
	a) Wooden and Iron Handicraft	192.88	216.34
	b) Textile Handicraft	14.56	48.10
	c) Unallocated	131.83	123.59
	<b>Total Segment Liabilities</b>	<b>339.27</b>	<b>388.03</b>

**2.11 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
		31-Mar-19	31-Mar-18	
Priti Lohiya	Director	8,96,000.00	3,50,000.00	Director's Remuneration
Goverdhan das Lohiya	Director	11,55,000.00	4,50,000.00	
Ritesh lohiya	Director	7,20,000.00	3,00,000.00	
Goverdhan Das lohiya	Director	5,40,000.00	2,25,000.00	Rent
Ritesh Lohiya HUF	HUF of Director	11,40,000.00	2,75,000.00	

Ritesh lohiya	Director	8,40,000.00	-	
Leela Lohiya	Director	5,40,000.00	-	
Goverdhan Das lohiya	Director	2,36,329.00	-	Interest

**2.12 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	March 31, 2019	March 31, 2018
Net Profit After Tax (Rs.)	1,92,04,908.61	76,02,131.96
Number of Shares outstanding at the end of the year	25,94,332	18,93,532
<b>Weighted Average number of shares</b>	<b>24,31,132</b>	<b>9,29,778</b>
Basic Earning Per Share (EPS)	7.90	8.18

**2.13 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	March 31, 2019	March 31, 2018
Opening Deferred Tax Asset	77,294.00	0.00
Deferred tax Income credited to Statement of profit and loss account	1,71,375.00	77,294.00
<b>Deferred Tax Asset Transferred t/f Balance Sheet</b>	<b>2,48,669.00</b>	<b>77,294.00</b>

**2.14 Previous year figures**

a. Previous year's figures have been regrouped and rearranged wherever necessary so as to make comparable with those of Current Year.

**For J.K. DAGA AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 010314C**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF  
M/S PRITI INTERNATIONAL LIMITED**

-Sd/-  
**RAJESH DAGA  
(PARTNER)  
MRN- 401479**

-Sd/-  
**PRITI LOHIYA  
(MANAGING DIRECTOR)  
DIN: 07789249**

-Sd/-  
**RITESH LOHIYA  
(CHIEF FINANCIAL  
OFFICER)  
DIN: 07787331**

**Place : JODHPUR  
Date : 24.05.2019**

-Sd/-  
**MONIKA GANDHI  
(COMPANY SECRETARY)**

## Notes forming part of the Financial statement for the year ended 31st March, 2019

## 3. Share Capital

(Amount in ₹)

Particulars	As At 31.03.2019	As At 31.03.2018
<b>Authorised</b>		
6000000 Equity Shares of ` 10/- Par Value	6,00,00,000.00	6,00,00,000.00
	<b>6,00,00,000.00</b>	<b>6,00,00,000.00</b>
<b>Issued, Subscribed and Fully paid up</b>		
2594332 (PY 18935320 ) Equity Shares of ` 10/- Par Value	2,59,43,320.00	1,89,35,320.00
	<b>2,59,43,320.00</b>	<b>1,89,35,320.00</b>
<b>Reconciliation of number of Equity shares outstanding at the beginning and at the end of the year</b>		
- At the Beginning of the year	18,93,532.00	-
- Issued during the year	7,00,800.00	1893532.00
- At the end of the year	25,94,332.00	18,93,532.00

The company has only one class of equity shares having face value of 10/- per share. Each holder of equity shares is entitled to one (i) vote per share

## B) Details of Shareholders holding more than 5% of Equity Shares in the Company

Particulars	31.03.2019		31.03.2018	
	No of Share	% Held	No of Share	% Held
Priti Lohiya	15,58,360.00	60.067%	15,58,360.00	82.30%
Vinod Soni	1,96,800.00	7.585%	-	-
Ritesh lohiya HUF	-	-	1,18,266.00	6.25%
Goverdhan Das Lohiya HUF	-	-	1,11,974.00	5.91%

## 4. Reserve &amp; Surplus

## 4A Securities Premium Accounts

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Balance at the beginning of the year	1,69,22,390.00	0.00
Add: On Equity Shares issued during the year	5,98,83,952.00	1,94,78,680.00
Less: Utilised for Share Issue Expenses in IPO	34,26,309.00	(16,14,310.00)
Less: Utilised for Incorporation Expense	0.00	(9,41,980.00)
	<b>7,33,80,033.00</b>	<b>1,69,22,390.00</b>

## 4B Profit And Loss Account

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Balance at the beginning of the year	76,02,131.96	0.00
Add: Surplus transferred from Statement of Profit and Loss	1,92,04,908.61	76,02,131.96
	<b>2,68,07,040.57</b>	<b>76,02,131.96</b>

## 5. Trade Payables

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Trade Payables Due To		

Micro and Small Enterprises	51,65,346.25	84,43,270.66
Other than Micro and Small Enterprises	2,08,34,488.91	2,10,69,378.42
	<b>2,59,99,835.16</b>	<b>2,95,12,649.08</b>

There are no overdoes to Micro, Small and Medium Enterprises as at March 31, 2019. Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	31.03.2019	31.03.2018
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	51,65,346.25	84,43,270.66
Interest	2,548.12	-
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.*	2,548.12	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	2,548.12	-
*The above Interest has not been provided in the books of accounts.		

#### 6. Other Current Liabilities

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Advance from Buyers	66,36,060.67	73,58,164.48
	<b>66,36,060.67</b>	<b>73,58,164.48</b>

#### 7. Short Term Provisions

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Electricity Payable A/c	55,000.00	48,976.50
EPF Payable	34,505.00	41,288.00
Audit fees Payable	1,25,000.00	75,000.00
Provision for Income Tax	8,40,920.50	16,79,006.10
Salary Payable	6,728.00	6,952.00
Wages Payable	1,14,755.00	1,37,534.00
TDS Payable	1,13,888.00	1,35,459.00
	<b>12,90,796.50</b>	<b>21,24,215.60</b>

Assets			Gross Block			Accumulated Depreciation			Net Block
	Useful Life ( In Years)	Shifts	Balance as at 1st April 2018	Additions during the year	Balance as at 31st March 2019	Balance as at 1st April 2018	Provided during the year	Balance as at 31st March 2019	Balance as at 31st March 2019
<b>Tangible assets</b>									
<b>Computers and units</b>									
Computer	3.00	Single	26,191.58	-	26,191.58	26,191.58		26,191.58	-
<b>Furniture And Fittings</b>									
Fan	10.00	Single	32,052.10	16,159.02	48,211.12	1,273.63	4334.13	5,607.76	42,603.36
Furniture	10.00	Single	16,233.20		16,233.20	847.10	2,603.42	3,450.52	12,782.68
<b>Motor Vehicles</b>									
Motor Car	8.00	Single	44,62,347.00	20,90,501.50	65,52,848.50	6,08,272.91	16,97,455.91	23,05,728.82	42,47,119.68
Cycle			360.00		360.00	360.00		360.00	-
<b>Building</b>									
Shed	30.00	Single	32,19,069.00		32,19,069.00	65,448.99	1,69,424.68	2,34,873.67	29,84,195.33
<b>Office Equipment</b>									
Office	5.00	Single							
Equipment			60,732.00		60,732.00	7,570.34	20,290.75	27,861.09	32,870.89
Office	10.00	Single	5,459.00	1,36,392.45	1,41,851.45	5,459.00	10,969.93	16,428.93	1,25,422.52
Equipment	15.00	Single	43,942.00		43,942.00	2,067.76	5,352.72	7,420.48	36,521.52
<b>Plant And Machinery</b>									
Plant And Machinery	15.00	Single	5,04,722.00	1,87,326.07	6,92,048.07	18,230.93	49,914.88	68,145.81	6,23,902.27
<b>Total (A)</b>			<b>83,71,107.88</b>	<b>24,30,379.04</b>	<b>1,08,01,486.92</b>	<b>7,35,722.25</b>	<b>19,60,346.42</b>	<b>2,696,068.67</b>	<b>81,05,418.25</b>

Assets			Gross Block			Accumulated Depreciation			Net Block
	Useful Life ( In Years )	Shifts	Balance as at 1st April 2017	Additions during the year	Balance as at 31st March 2018	Balance as at 1st April 2017	Provided during the year	Balance as at 31st March 2018	Balance as at 31st March 2018
<b>Tangible assets</b>									
<b>Computers and units</b>									
Computer	3.00	Single	-	26,191.58	26,191.58	-	26,191.58	26,191.58	-
<b>Furniture And Fittings</b>									
Fan	10.00	Single	-	32,052.10	32,052.10	-	1,273.63	1,273.63	30,778.47
Furniture	10.00	Single	-	16,233.20	16,233.20	-	847.10	847.1	15,386.10
<b>Motor Vehicles</b>									
Motor Car	8.00	Single	-	44,62,347.00	44,62,347.00	-	6,08,272.91	6,08,272.91	38,54,074.09
Cycle			-	360.00	360.00	-	360.00	360	-
<b>Building</b>									
Shed	30.00	Single	-	32,19,069.00	32,19,069.00	-	65,448.99	65,448.99	31,53,620.00
<b>Office Equipment</b>									-
Office Equipment	5.00	Single	-	60,732.00	60,732.00	-	7,570.34	7,570.34	53,161.66
Office Equipment	10.00	Single	-	5,459.00	5,459.00	-	5,459.00	5,459.00	-
Office	15.00	Single	-	43,942.00	43,942.00	-	2,067.76	2,067.76	41,874.24



Equipment									
Plant And Machinery									
Plant And Machinery	15.00	Single	-	5,04,722.00	5,04,722.00	-	18,230.93	18,230.93	4,86,491.07
<b>Total (A)</b>				<b>83,71,107.88</b>	<b>83,71,107.88</b>		<b>7,35,722.25</b>	<b>735,722.25</b>	<b>76,35,385.63</b>

### 9. Capital Work in Progress as at 31<sup>st</sup> March 2019

Assets			Gross Block			Accumulated Depreciation			Net Block
	Useful Life (In Years)	Shifts	Balance as at 1st April 2018	Additions during the year	Balance as at 31st March 2019	Balance as at 1st April 2018	Provided during the year	Balance as at 31st March 2019	Balance as at 31st March 2019
Tangible assets									
Building Under Construction				1,01,79,329.71	1,01,79,329.71		-	-	1,01,79,329.71

### 10. Non Current Investments

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Fixed Deposit with Indusind Bank (PY IDBI Bank)	3,05,61,450.63	10,00,000.00
Security Deposits	5,58,707.00	8,107.00
	<b>3,11,20,157.63</b>	<b>10,08,107.00</b>

### 11. Deferred tax Asset

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Opening balance	77,294.00	0.00
Deferred Tax Asset Charged to P & L	1,71,375.00	77,294.00
<b>Deferred Tax Asset Transferred t/f Balance Sheet</b>	<b>2,48,669.00</b>	<b>77,294.00</b>

### 12. Long Term Loan & Advances

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
M/s Container Corporation of India Limited	1,82,709.97	1,82,709.97
M/s Expeditors International India Pvt. Ltd.	1,725.00	1,725.00
M/s Inland Container Depot	2,287.00	2,287.00
M/s Kashish Agency	5,780.00	5,780.00
M/s Movex Cargo Pvt. Ltd	1,142.00	1,142.00
	<b>1,93,643.97</b>	<b>1,93,643.97</b>

### 13. Inventories

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Finished Material Stock	8,57,794.29	4,22,295.00
Handicrafts Items stock	83,93,460.00	77,72,083.00
Jewellery Stock	1,84,896.00	1,84,896.00
Leather Material	4,67,581.65	0.00
Packing Material Stock	3,55,465.12	2,94,485.00
Textile Material Stock	5,66,595.51	3,37,560.00
	<b>1,08,25,792.57</b>	<b>90,11,319.00</b>

**14. Trade Receivables**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Unsecured for considered good		
(a) Outstanding for a period less than 6 months	5,40,73,734.66	4,05,14,306.10
(b) Outstanding for a period exceeding 6 months	0.00	0.00
	<b>5,40,73,734.66</b>	<b>4,05,14,306.10</b>

**15 Cash & Cash Equivalents**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Cash in hand	11,91,885.55	6,22,969.30
IDBI A/c 058102000032559 (Priti international)	72,859.79	15,475.02
IDBI BANK A/C 0058102000086198	66,21,594.53	34,894.15
Indusland Bank A/C 201002875546	49,31,031.68	0.00
	<b>1,28,17,371.55</b>	<b>6,73,338.47</b>

**Bank Reconciliation Statement for IDBI Bank  
0058102000086198**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Balance as per bank	88,92,292.53	7,68,094.76
Less:- Cheque issued but not clear	22,70,698.00	7,33,200.61
Balance as per books	<b>66,21,594.53</b>	<b>34,894.15</b>

**16 Other Current Assets**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Advance against Goods	55,17,321.60	0.00
Accured Interest on FDR	2,57,884.66	0.00
Drawback Receivable	8,49,538.00	13,30,892.00
GST Receivable	2,47,39,700.72	2,00,25,672.37
Service Tax Receivable	86,655.51	86,655.51
VAT Receivable	10,41,868.07	18,98,257.07
	<b>3,24,92,968.56</b>	<b>2,33,41,476.95</b>

**17. Revenue From Operations**

(Amount in ₹)

Particulars	31.03.2019	31.03.2019
Sales of products		
Export Sales	23,33,72,414.38	9,69,30,595.40
Domestic Sales	86,75,085.06	1,29,987.65
	<b>24,20,47,499.44</b>	<b>9,70,60,583.05</b>

**18. Other Income**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Discount and Rebate	1,52,141.69	13,03,054.00
Drawback	34,32,713.00	13,27,724.43
Interest Received from FDRs	28,60,171.97	2,17,240.96
Gain from Currency Fluctuation	28,54,378.92	0.00
Misc. Receipt	49,538.00	40,506.99
Sale of Licenses	44,28,491.00	0.00

	1,37,77,434.58	28,88,526.38
--	----------------	--------------

**19. Cost of Raw Materials Consumed**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Opening Stock	-	-
Add: Purchases	18,81,99,504.74	8,07,78,161.12
Less: Closing Stock	-	-
	18,81,99,504.74	8,07,78,161.12

**20. Change in Inventories of Finished Goods**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Increase in Inventories		
Finished Material Stock	(4,35,499.29)	(4,22,295.00)
Handicrafts Items stock	(6,21,377.00)	(77,72,083.00)
Jewellery Stock	0.00	(1,84,896.00)
Leather Material	(4,67,581.65)	0.00
Packing Material Stock	(60,980.12)	(2,94,485.00)
Textile Material Stock	(2,29,035.51)	(3,37,560.00)
	(18,14,473.57)	(90,11,319.00)

**21. Employee Benefit Expenses**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Director Remuneration	27,71,000.00	11,00,000.00
Employee provident Fund	2,25,669.00	1,07,295.00
Labour Welfare	6,135.00	38,433.00
Salary Expense	9,92,076.00	3,77,000.00
Wages Exp	16,41,588.00	11,98,523.00
	56,36,468.00	28,21,251.00

**22. Finance Cost**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Interest paid on TDS	133.00	0.00
Interest paid on Income Tax	2,15,264.00	0.00
Interest paid to others	2,40,878.00	0.00
	4,56,275.00	0.00

**23. Depreciation Expense**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Depreciation on Tangible Assets	19,60,346.42	7,35,722.25
	19,60,346.42	7,35,722.25

**24. Other Expense**

(Amount in ₹)

Particulars	31.03.2019	31.03.2018
Advertisement Expense	2,45,734.80	41,734.88
Bank Commission Charges	23,41,439.86	7,06,492.06
Carriage Inward	7,79,650.00	2,88,549.90
Cleaning Expense	1,57,000.00	0.00
Clearing and Transportation	1,47,43,920.69	53,11,651.28

Commission	8,76,384.78	0.00
Discount	14,25,789.13	1,41,632.10
Electricity Expenses	4,38,760.50	1,75,983.00
Insurance Expenses	1,65,806.78	76,198.00
International Fair Participation Expense	35,98,722.71	17,01,099.75
Job work Charges	45,32,580.00	46,11,997.00
Legal and Professional Charges	3,34,122.00	1,77,864.00
Other Office Expenses	1,64,585.32	1,22,834.63
Payment to Auditors	2,00,000.00	75,000.00
Printing and Stationary Expense	68,546.37	87,247.00
Rent Expenses	30,85,008.00	5,12,504.00
Repair and Maintaince	1,14,376.80	0.00
Telephone and Mobile Expenses	29,125.00	20,585.00
Traveling Expenses	14,09,980.08	1,24,584.50
Water Expense	41,011.00	25,027.00
	<b>3,47,52,543.82</b>	<b>1,42,00,984.10</b>

**For J.K. DAGA AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FRN : 010314C**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS OF**  
**M/S PRITI INTERNATIONAL LIMITED**

-Sd/-  
**RAJESH DAGA**  
**(PARTNER)**  
**MRN- 401479**

-Sd/-  
**PRITI LOHIYA**  
**(MANAGING DIRECTOR)**  
**DIN: 07789249**

-Sd/-  
**RITESH LOHIYA**  
**(CHIEF FINANCIAL OFFICER)**  
**DIN: 07787331**

**Place : JODHPUR**  
**Date : 24.05.2019**

-Sd/-  
**MONIKA GANDHI**  
**(COMPANY SECRETARY)**