



# PRITIKA AUTO INDUSTRIES LTD.

Regd. Office : Plot No. C-94, Phase VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160 055

CIN : L45208PB1980PLC046738 Phone No. : 0172-5008900, 5008901

E-mail : info@pritikaautoindustries.com, compliance@pritikaautoindustries.com

Website : www.pritikaautoindustries.com

Date: 2<sup>nd</sup> September, 2021

To Department of Corporate Services, National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	To Department of Corporate Service BSE Limited, P.J.Towers, Dalal Street, Mumbai --400 001
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**NSE SYMBOL : PRITKAUTO**

**BSE Scrip Code: 539359**

Dear Sir/ Madam,

**Sub: Intimation pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy Annual Report of the company for the financial year ended 31<sup>st</sup> March, 2021 together with the Notice dated 14/8/2021 convening 41<sup>st</sup> Annual General Meeting of the company on Wednesday, the 29<sup>th</sup> September, 2021 at the Registered Office of the Company i.e. Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160055 at 10.00 a.m. The said Notice forms a part of the Annual Report. The Annual Report is also available on the website of the company at [www.pritikaautoindustries.com/investors.html](http://www.pritikaautoindustries.com/investors.html).

The e-voting facility has been made available to the members of the company through e-voting service provided by NSDL, to exercise their right to vote on the agenda items as stated in the Notice of Annual General Meeting. The e-voting will commence on Saturday, the 25<sup>th</sup> September, 2021 at 9.00 a.m. and will close on Tuesday, the 28<sup>th</sup> September, 2021 at 5.00 p.m.

We further inform you that Wednesday, the 22<sup>nd</sup> September, 2021 has been fixed as Cut-off date for determining the eligibility for remote e-voting and voting at the AGM.

Kindly take the above information on your record.

Thanking you.

Yours sincerely,

For Pritika Auto Industries Ltd.

  
C B Gupta  
Company Secretary

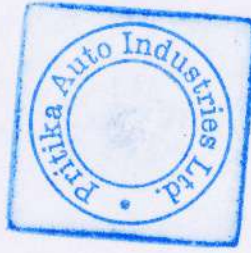


C.C.

**CSE Scrip Code: 18096**

The Calcutta Stock Exchange Limited,  
7, Lyons Range  
Calcutta- 700 001

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# **PRITIKA**

Auto Industries Ltd.



41<sup>ST</sup>

# **ANNUAL REPORT 2021**



### **Board of Directors**

Mr. Raminder Singh Nibber	Chairman & WTD
Mr. Harpreet Singh Nibber	Managing Director & CEO
Mr. Ajay Kumar	Whole Time Director
Mr. Yudhisthir Lal Madan	Independent Director
Mrs. Neha	Independent Director
Mr. Subramaniam Bala	Independent Director

### **Statutory Auditors**

M/s. Sunil Kumar Gupta & Co.  
Chartered Accountants

### **Bankers**

Canara Bank  
ICICI Bank

### **Chief Financial Officer**

Mr. Narinder Kumar Tyagi

### **Company Secretary**

Mr. Chander Bhan Gupta

### **Registrar & Transfer Agents**

Satellite Corporate Services Pvt. Ltd.  
Office no.106 & 107,  
Dattani Plaza, East West Compound,  
Andheri Kurla Road, Safedpul,  
Sakinaka- Mumbai-400072

### **Registered Office**

Plot No. C-94, Phase-VII  
Industrial Focal Point  
S.A.S Nagar, Mohali  
Punjab - 160055

### **Works**

Vill-Batheri, Teh Haroli  
Tahliwala-Garhshankar  
Road, Distt. Una  
Himachal Pradesh-174301

### **Works**

Village Saidomajra  
Post Office Mubarkpur,  
Near Focal Point, Derabassi  
Distt. S.A.S. Nagar, Punjab-140507

### **CIN**

L45208PB1980PLC046738

### **Website**

[www.pritikaautoindustries.com](http://www.pritikaautoindustries.com)

### **E-mail**

[compliance@pritikaautoindustries.com](mailto:compliance@pritikaautoindustries.com)



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## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 41<sup>ST</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PRITIKA AUTO INDUSTRIES LIMITED WILL BE HELD AT ITS REGISTERED OFFICE SITUATED AT PLOT NO. C-94, PHASE-VII INDUSTRIAL FOCAL POINT, S.A.S. NAGAR, MOHALI, PUNJAB -160055 ON WEDNESDAY, 29<sup>TH</sup> SEPTEMBER, 2021 AT 10.00 A.M. TO TRANSACT FOLLOWING BUSINESS.**

### **ORDINARY BUSINESS:**

#### **ITEM NO. 1 – ADOPTION OF FINANCIAL STATEMENTS**

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and auditors thereon.

#### **ITEM NO. 2 – ADOPTION OF CONSOLIDATED FINANCIAL STATEMENTS**

To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the reports of the auditors thereon.

#### **ITEM NO. 3 - APPOINTMENT OF MR. AJAY KUMAR AS A DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a director in place of Mr. Ajay Kumar (DIN:02929113) who retires by rotation and, being eligible, seeks reappointment.

### **SPECIAL BUSINESS :**

#### **ITEM NO. 4: - RATIFICATION OF REMUNERATION OF COST AUDITOR**

**To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, Companies (Cost Records and Audit) Rules 2014 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modifications or re-enactment thereof, for the time being in force), payment of remuneration of Rs. 65,000 and applicable taxes and out of pocket expenses , if any, to M/s. Khushwinder Kumar & Co., Cost Accountants (Registration Number 100123), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2022, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **ITEM NO. 5: RE-APPOINTMENT OF MR. SUBRAMANIYAM BALA (DIN: 00461697) AS INDEPENDENT DIRECTOR**

**To consider and, if thought fit, to pass with or without modification, if any, the following resolution as Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, for the time being in force, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the company and considering the report of his performance evaluation, Mr. Subramaniyam Bala (holding DIN 00461697), who was appointed as an Independent Director of the company for a term of one year up to 28/8/2021 and is eligible for being reappointed as an independent director and in respect of whom a notice in writing pursuant to section 160 of the Act has been received in the

prescribed manner, be and is hereby re-appointed as an independent director on the Board of the company for a second term of five consecutive years effective from 29/8/2021 to 28/8/2026 and that he shall not be liable to retire by rotation.

Resolved Further that pursuant to the provisions of section 149, 197 and other applicable provisions of the Act and rules made there under, Mr. Subramaniyam Bala be paid such fees and remuneration as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time”

#### **ITEM NO. 6: APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH PRITIKA INDUSTRIES LTD.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Company's policy on Related Party Transactions and in continuation of approval of Audit Committee and Board of Directors dated 14<sup>th</sup> August, 2021, approval of Shareholders be and is hereby accorded for entering into/continue the agreements/contract(s)/ arrangement(s)/ transaction(s) with Pritika Industries Ltd. (CIN: U85100PB1997PLC038216), the related party of the company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations 2015, for the Financial year 2022-23, with relation to i) purchase and sale of Auto components/ parts, castings, scrap; ii) availing/providing services; iii) doing and/or getting done job work; iv) reimbursement of expenses; v) payment of dividend on investment in securities; vi) taking/giving inter-corporate loans/advances; vii) selling/disposing/buying/leasing property of any kind (hereinafter collectively referred to as 'related party transactions') for the Cumulative value of transactions not exceeding Rs.200.00 crore, on the terms and conditions mentioned in the explanatory statement, provided herein, however that the contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise and to undertake all such acts, deeds, matters and things to finalize and execute such documents, deeds, agreements, arrangements and writings as may be deemed necessary, proper and desirable in its absolute discretion to give effect to the aforesaid Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

#### **ITEM NO. 7: APPROVAL OF THE MATERIAL RELATED PARTY TRANSACTIONS WITH PRITIKA ENGINEERING COMPONENTS PVT. LTD.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Company's policy on Related Party Transactions and in continuation of approval of Audit Committee and Board of Directors dated 14<sup>th</sup> August, 2021 approval of Shareholders be and is hereby accorded for entering into/continue the agreements/contract(s)/ arrangement(s)/ transaction(s) with Pritika Engineering Components Pvt. Ltd. (CIN: U28999PB2018PTC047462), the related party of the company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations 2015, for the Financial year 2022-23, with relation to i) purchase and sale of Auto components/ parts, castings, scrap; ii) availing/providing services; iii) doing and/or getting done job work; iv) reimbursement of expenses; v) taking/giving inter-corporate loans/advances vi) selling/disposing/buying/leasing property of any kind (hereinafter collectively referred to as 'related party transactions') for the Cumulative value of transactions not exceeding Rs. 50.00 crore, on the terms and conditions mentioned in the explanatory statement, provided herein, however that the contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise and to undertake all such acts, deeds, matters and things to finalize and execute such



documents, deeds, agreements, arrangements and writings as may be deemed necessary, proper and desirable in its absolute discretion to give effect to the aforesaid Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**ITEM NO. 8. RE-APPOINTMENT OF MR. RAMINDER SINGH NIBBER (DIN: 00239117) AS WHOLE TIME DIRECTOR AND PAYMENT OF REMUNERATION**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modifications, amendments, enactment or re-enactment thereof for the time being in force), and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Raminder Singh Nibber, Director (DIN: 00239117), notwithstanding he has attained the age of 75 years and is aged 80 years at present, as Whole Time Director of the Company for a period of 3 years commencing from 01/04/2022 on the remuneration, terms and conditions as mentioned hereunder:

**Remuneration:**

1. Basic Salary: Rs.5,37,500/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.
2. Perquisites: In addition to the Salary as set out above, the Whole Time Director shall be entitled to the following perquisites
  - a. House Rent Allowance Rs. 1,07,500/- p.m. with such annual increase as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.

For the purpose of calculating the above perquisites, valuation shall be done as per Income Tax Act and Rules made there under, wherever applicable and in the absence of any such rule, perquisites shall be valued at actual cost.

The appointee will also be entitled for:

- i) Car with driver for use on company's business and telephone facilities at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
- ii) Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.
- iii) Medical/hospitalization expenses as per actual, for self and family. Family defined as spouse and two dependent children.
- iv) Business Class Air Fare for self and family once in a year to any destination. Family defined as spouse and two dependent children.
- v) Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
- vi) Life/ health insurance for self and family

The appointee will be entitled for the following perquisites which shall not be included in the computation of the ceiling of Managerial Remuneration:

- i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either taken singly or put together are not taxable under Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii) Encashment of leave at the end of the tenure.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Raminder Singh Nibber, the Company has no profits or its profits are inadequate, the Company will continue to pay remuneration by way of salary, perquisites and allowances as specified above.

RESOLVED FURTHER that in the event of any statutory amendment/ modification of Schedule V, the Board of Directors or a Committee thereof be and is hereby authorized to alter, vary or increase the remuneration of the appointee within such prescribed limits of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that Mr. Raminder Singh Nibber is also appointed as Chairman of the company and will be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raminder Singh Nibber and/or Mr. Harpreet Singh Nibber, Directors of the Company or the Company Secretary of the Company be and is hereby severally authorised to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign, execute and submit deeds, applications, forms, returns, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

**ITEM NO. 9. RE-APPOINTMENT OF MR. HARPREET SINGH NIBBER (DIN:00239042 ) AS MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modifications, amendments, enactment or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Harpreet Singh Nibber, Director (DIN: 00239042), as Managing Director of the Company for a period of 3 years commencing from 01/04/2022 on the remuneration, terms and conditions as mentioned hereunder:

**Remuneration:**

1. Basic Salary: Rs. 8,06,250/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.
2. Perquisites: In addition to the Salary as set out above, the Managing Director shall be entitled to the following perquisites
  - a. House Rent Allowance Rs. 2,15,000/- p.m. with such annual increase as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.

For the purpose of calculating the above perquisites, valuation shall be done as per Income Tax Act and Rules made there under, wherever applicable and in the absence of any such rule, perquisites shall be valued at actual cost.

The appointee will also be entitled for:

- i) Car with driver for use on company's business and telephone facilities at residence. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
- ii) Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.
- iii) Medical/hospitalization expenses as per actual, for self and family. Family defined as spouse and two dependent children.
- iv) Business Class Air Fare for self and family once in a year to any destination. Family defined as spouse and two dependent children.
- v) Club Fees: Fees and expenses at clubs subject to a maximum of two clubs. This will not include life membership fees.
- vi) Life/ health insurance for self and family

The appointee will be entitled for the following perquisites which shall not be included in the computation of the ceiling of Managerial Remuneration:

- i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either taken singly or put together are not taxable under Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii) Encashment of leave at the end of the tenure.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Harpreet Singh Nibber, the Company has no profits or its profits are inadequate, the Company will continue to pay remuneration by way of salary, perquisites and allowances as specified above.

RESOLVED FURTHER that in the event of any statutory amendment/ modification of Schedule V, the Board of Directors or a Committee thereof be and is hereby authorized to alter, vary or increase the remuneration of the appointee within such prescribed limits of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that Mr. Harpreet Singh Nibber is also appointed as Chief Executive Officer of the company and will not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raminder Singh Nibber and/or Mr. Harpreet Singh Nibber, Directors of the Company or the Company Secretary of the Company be and is hereby severally authorised to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign, execute and submit deeds, applications, forms, returns, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

#### **ITEM NO. 10**

#### **RE-APPOINTMENT OF MR. AJAY KUMAR, DIRECTOR (DIN:02929113) AS WHOLE TIME DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act') (including any statutory modifications, amendments, enactment or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Ajay Kumar (DIN02929113) as Whole Time Director designated as Executive Director of the Company for a period of 3 years commencing from 01/04/2022 on the remuneration, terms and conditions as mentioned hereunder:

#### **Remuneration:**

1. Basic Salary: Rs.2,95,625 /- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.
2. Perquisites: In addition to the Salary as set out above, the Executive Director shall be entitled to the following perquisites
  - a. House Rent Allowance Rs.1,18,250/- p.m. with such annual increase as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of 20% per annum.
  - b. Uniform Allowance Rs. 7,000/- p.m.
  - c. Other Allowances Rs.8,000/- p.m.

For the purpose of calculating the above perquisites, valuation shall be done as per Income Tax Act and Rules made there under, wherever applicable and in the absence of any such rule, perquisites shall be valued at actual cost.  
The appointee will also be entitled for:

- i) Car with driver for use on company's business and telephone facilities at residence. Personal long distance calls on telephone



and use of car for private purpose shall be billed by the Company to the appointee.

- ii) Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.

The appointee will be entitled for the following perquisites which shall not be included in the computation of the ceiling of Managerial Remuneration:

- i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either taken singly or put together are not taxable under Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- iii) Encashment of leave at the end of the tenure.

**Minimum Remuneration:** Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Ajay Kumar, the Company has no profits or its profits are inadequate, the Company will continue to pay remuneration by way of salary, perquisites and allowances as specified above.

RESOLVED FURTHER that in the event of any statutory amendment/ modification of Schedule V, the Board of Directors or a Committee thereof be and is hereby authorized to alter, vary or increase the remuneration of the appointee within such prescribed limits of Schedule V of the Companies Act, 2013

RESOLVED FURTHER that Mr. Ajay Kumar will be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raminder Singh Nibber and/or Mr. Harpreet Singh Nibber, Directors of the Company or the Company Secretary of the Company be and is hereby severally authorised to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign, execute and submit deeds, applications, forms, returns, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

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

**Sd/-**

**Harpreet Singh Nibber**  
**Managing Director**

**Date: 14<sup>th</sup> August, 2021**

**Place: Mohali**

**Notes:**

- 1) Explanatory statement pursuant to sub-section (1) of Section (102) is annexed to the Notice.
- 2) **A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote instead of himself and the proxy need not be a member of the Company.**
- 3) A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- 4) In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, for conducting its Annual General Meeting with physical presence of members after following the advisories issued from authorities.
- 5) Corporate Members intending to send their authorised representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting. They can also send the copy of the said Resolution/ Authorization to the Scrutinizer by email through its registered email address to [sikkasushil@gmail.com](mailto:sikkasushil@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 6) Members are requested to claim dividends for the year ended 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2019 that remain unclaimed by corresponding with the Registrar and Share Transfer Agents. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act 2013, be transferred to the Investor Education and Protection Fund (IEPF). The detail of Unclaimed Dividend is available on the website of the company at <http://www.pritikaautoindustries.com/investors.html>.
- 7) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- 8) The members whose bank particulars are not updated with their Depositories are requested to update their details.
- 9) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 29, 2021.
- 10) The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from 25<sup>th</sup> day of September 2021 to 29<sup>th</sup> day of September, 2021 (both days inclusive).
- 11) In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
- 12) The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
- 13) Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
- 14) Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification.
- 15) Members who are holding shares in identical order or names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.

- 16) Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.
  - 17) Members are requested to kindly notify changes including email address, if any, in their address to the R & T Agent of the Company, Satellite Corporate Services Pvt. Ltd. situated at Office no.106 & 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safedpul, Sakinaka- Mumbai-400072. Website: [www.satellitecorporate.com](http://www.satellitecorporate.com). Phone no.022-28520461, 022-28520462, e-mail: [info@satellitecorporate.com](mailto:info@satellitecorporate.com).
  - 18) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. The members holding shares in physical form are requested to submit their PAN and Bank Details (copy of PAN Card and original cancelled cheque leaf/attested copy of bank pass book showing name of account holder) to the RTA.
- SEBI by amendment to Regulation 40 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 has mandated transfer of securities in dematerialized form only, w.e.f. 01.04.2019. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
- 19) Members seeking any information or clarification on the Annual Report are requested to write to the company at least ten days in advance from the date of Annual General Meeting, so as to enable the company to compile the information and provide replies at the meeting.
  - 20) Pursuant to the prohibition imposed vide Secretarial Standards on General Meetings (SS2) issued by ICSI and MCA Circular, no gifts/coupons shall be distributed at the meeting.
  - 21) In line with the MCA General Circular No. 20/2020 dated 5/5/2020 and 02/2021 dated 13/1/2021 and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12/5/2020 and SEBI/HO/CFD/CMD 2/CIR/P/2021/11 dated 15/1/2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.pritikaautoindustries.com](http://www.pritikaautoindustries.com) websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE Limited at [www.nseindia.com](http://www.nseindia.com), and on the website of NSDL at <https://www.evoting.nsdl.com>. Even after e-communication, members are entitled to receive copy of Notice of AGM and Annual Report 2020-21 in physical form, upon making a request for the same, by post free of cost. The Shareholders may send requests to the Company's investor email id: [compliance@pritikaautoindustries.com](mailto:compliance@pritikaautoindustries.com) for the same.
  - 22) Adopting green initiatives, copies of the Annual Reports and Accounts will not be distributed at the Meeting.
  - 23) **Additional information on director recommended for appointment/reappointment as required under Regulation 36 of the Listing Regulations**

**Mr. Ajay Kumar**

Mr. Ajay Kumar aged 47 years, is a young B.E with M.B.A. He has more than 20 years experience in industry. He is associated with the group for the last 15 years and is looking after all the functional areas. He has extensive knowledge of company's operations and possesses rich experience and expertise in production & marketing. He is an approved Internal Auditor for ISO.

Disclosure of relationship between directors inter-se: He is not related to any director or Key Managerial Personnel of the company.

Mr. Ajay Kumar does not hold directorship or membership of committees of the board in any other listed entity and has not resigned from any listed entity in the past three years.

He is holding 4850 equity shares of the company.



• **Mr. Subramaniyam Bala**

Mr. Subramaniyam Bala aged 70 years is a diploma holder with extensive technical experience in the field of foundry development. He has 44 years of experience in development of castings, patterns and establishment of foundries. He started his career as an inspector for castings and patterns and with his hard work and capability rose to the position of Head of Foundry development and Director Technical. He is presently working as a Foundry Consultant.

Disclosure of relationship between directors inter-se: He is not related to any director or Key Managerial Personnel of the company.

Mr. Subramaniyam Bala does not hold directorship or membership of committees of the board in any other listed entity and has not resigned from any listed entity in the past three years.

He is not holding any shares in the company.

Mr. Subramaniyam Bala has extensive technical experience and specialization in the field of foundry management, the core business area of the company. His experience, expertise and having no pecuniary relation with the company and its management, makes him suitable and fit for appointment as an independent director.

• **Mr. Raminder Singh Nibber**

Mr. Raminder Singh Nibber aged 80 years, is a Mechanical Engineer. He has more than 54 years of experience in the industry. He is the founder of the group and is serving as the Chairman of the company. He has extensive knowledge of company's operations. He has been awarded Udyog Patra for Self Made Industrialists by the Institute of Trade and Industrial Development.

Disclosure of relationship between directors inter-se: He is father of Mr. Harpreet Singh Nibber, Managing Director.

Mr. Raminder Singh Nibber does not hold directorship or membership of committees of the board in any other listed entity and has not resigned from any listed entity in the past three years.

He is holding 5855910 shares of the company

**Mr. Harpreet Singh Nibber**

Mr. Harpreet Singh Nibber aged 49 years, is a young B.E in Mechanical Engineering with more than 23 years experience in industry. He has been associated with the company since 2017 and is looking after all the functional areas. He is serving the company as Managing Director.

Disclosure of relationship between directors inter-se: He is son of Mr. Raminder Singh Nibber, Chairman.

Mr. Harpreet Singh Nibber does not hold directorship or membership of committees of the board in any other listed entity and has not resigned from any listed entity in the past three years.

He is holding 10274 670 shares of the company

**24) Voting through electronic means:**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the Annual General Meeting (AGM). For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system for AGM will be provided by NSDL.
2. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.pritikaautoindustries.com](http://www.pritikaautoindustries.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL

(agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Saturday, the 25<sup>th</sup> September, 2021 at 9:00 A.M. and ends on Tuesday, the 28<sup>th</sup> September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22<sup>nd</sup> September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September, 2021.

#### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

##### Step 1: Access to NSDL e-Voting system

#### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"><li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</li><li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li></ol>

Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**



1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e Voting system of NSDL.

7. After ensuring your password, tick on Agree to “Terms and Conditions” by selecting on check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-voting system**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sikkasushil@gmail.com](mailto:sikkasushil@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance@pritiakaautoindustries.com](mailto:compliance@pritiakaautoindustries.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance@pritiakaautoindustries.com](mailto:compliance@pritiakaautoindustries.com) . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**



3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Please note the following:**

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September, 2021, may obtain the login ID and password by sending a request at [compliance@pratikaautoindustries.com](mailto:compliance@pratikaautoindustries.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [info@satellitecorporate.com](mailto:info@satellitecorporate.com).

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

Mr. Sushil K Sikka, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinise the e voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results alongwith the Scrutinizers Report shall be placed on the website of the Company and shall be communicated to Stock Exchanges where the shares of the Company are listed.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.

**For and on behalf of the Board of Directors**  
Sd/-

**Harpreet Singh Nibber**  
**Managing Director**

**Date: 14/08/2021**  
**Place: Mohali**

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

### **Item No. 4**

#### **Ratification of remuneration of Cost Auditor**

The Board, on the recommendation of the Audit Committee, has approved the re appointment of M/s. Khushwinder Kumar & Co., Cost Accountants as Cost Auditor of the Company for the financial year ending on 31 March 2022, to conduct audit of cost accounting records of the Company as may be required for cost audit under the Companies Act, 2013, and Rules made there under, at a remuneration of Rs. 65,000 /-, and applicable taxes and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration proposed to be paid to the Cost Auditor is required to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors. None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. The Board has recommended the approval of said item by the members of the company by Ordinary Resolution.

### **Item No. 5**

#### **Appointment of Independent Director**

Mr. Subramaniyam Bala was appointed as Director in the in the category of Independent director on the Board for a period of one year w.e.f 29/8/2020. His term as director is going to expire on 28/8/2021. On the recommendation of Nomination & Remuneration Committee and considering the report of his performance evaluation, the directors have recommended to reappoint him as an Independent Director for a second term of five years w.e.f.29/8/2021.

Mr. Subramaniyam Bala (DIN: 00461697) aged 70 years is a Diploma holder with technical expertise and more than 44 years of experience in Foundry development. He has been engaged in designing of methods & development of castings as well as establishment of foundry units. He has served as director on the Board of various companies for 18 years.

He is not related or concerned with directors or promoters of the company in any way and meets the criteria of Independent Director. He had also given his consent to act as Director of the company. He is not holding any shares in the company and is not holding directorship and the membership of committees of the board of any other listed entity.

In the opinion of the Board, Mr. Subramaniyam Bala fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') and is independent of the management. The Board of Directors at its meeting held on 16/6/2021, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Mr. Subramaniyam Bala would be beneficial to the Company and it is desirable to re-appoint Mr. Subramaniyam Bala as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 29/8/2021.

The provisions of section 149(10) of the Companies Act, 2013 require approval of members by Special Resolution for reappointment of an Independent Director.

The Board of Directors recommends the resolution at Item No. 5 of this Notice for your approval by Special Resolution.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Subramaniyam Bala and his relatives, has any concern or interest, financial or otherwise, in the resolution at Item No. 5 of this Notice.

### **ITEM NO. 6 & 7**

Pritika Industries Ltd. and Pritika Engineering Components Pvt. Ltd. are 'related party' of the company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), hence the contracts, agreements, arrangements and transactions between Pritika Auto Industries Ltd. with Pritika Industries Ltd. and Pritika Engineering Components Pvt. Ltd. fall under the category of a related party transaction of the Company in



terms of the provisions of Section 188 of the Companies Act, 2013, rules framed there under and Regulation 23 of the Listing Regulations, 2015.

In accordance with the Explanation to Regulation 23(1) of the Listing Regulations, 2015, a transaction with a related party is considered as material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. The Company had entered into Agreement for related party transactions with Pritika Industries Ltd. and Pritika Engineering Components Pvt. Ltd. for a period of two years w.e.f 1<sup>st</sup> April, 2020. The Audit Committee and the Board of Directors of the Company at their meeting held on 14<sup>th</sup> August, 2021, subject to approval by the members of the company, have approved entering into the related party contracts, agreements, arrangements and transactions w.e.f. 1<sup>st</sup> April, 2022 for a period of one year as more particularly described in table below. It is envisaged that considering the threshold limits prescribed under the Listing Regulations, 2015 and the policy on material related party transactions as adopted by the Company, the related party transactions with Pritika Industries Ltd. and Pritika Engineering Components Pvt. Ltd. may be classified as material and may require approval of the members.

**The key details pursuant to Explanation 3 to clause 3 of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 are as below:**

**Item No. 6**

Sr. No.	Particulars	Details
1	Name of the Related Party	Pritika Industries Ltd. (PIL)
2	Name of the Director or KMP who is related	Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, directors
3	Nature of Relationship	Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, directors of company are also director and member of PIL. The Company is an Associate of PIL
4	Nature, material terms, monetary value and particulars of contract or arrangements of Services/ transactions	Nature of transactions: i) purchase and sale of Auto components/ parts, castings, scrap ii) availing/providing services iii) doing and/or getting done job work etc iv) reimbursement of expenses v) payment of dividend on investment in securities vi) taking/giving inter-corporate loans/advances vii) selling/disposing/buying/leasing property of any kind viii) Duration: one year (1/4/2022 to 31/03/2023) The cumulative value of all transactions with PIL shall not exceed Rs. 200.00 crore per annum. Terms: Consideration for each of the transactions shall be determined mutually between the parties, depending on the process and product involved and shall be at an arm's length basis considering prevalent market conditions.
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	The pricing/ commercial terms will be determined based on the transactions with unrelated parties for similar nature of transaction, if any. The prices/commercial terms will be determined on arm's length basis.
6	Any other information relevant or important for the members to take a decision on the proposed transaction.	The company is an Associate of Pritika Industries Ltd.

**Item No. 7**

Sr. No.	Particulars	Details
1	Name of the Related Party	Pritika Engineering Components Pvt. Ltd. (PECPL)
2	Name of the Director or KMP who is related	Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber, directors
3	Nature of Relationship	Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber, directors of company are also director of PECPL. PECPL is wholly owned subsidiary of the company
4	Nature, material terms, monetary value and particulars of contract or arrangements of Services/ transactions	Nature of transactions: i) purchase and sale of Auto components/ parts, castings, scrap ii) availing/providing services iii) doing and/or getting done job work etc iv) reimbursement of expenses v) taking/giving inter-corporate loans/ advances vi) selling/disposing/buying/leasing property of any kind Duration: One year (1/04/2022 to 31/03/2023) The cumulative value of all transactions with PECPL shall not exceed Rs. 50.00 crore per annum. Terms: Consideration for each of the transactions shall be determined mutually between the parties, depending on the process and product involved and shall be at an arm's length basis considering prevalent market conditions.
5	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	The pricing/ commercial terms will be determined based on the transactions with unrelated parties for similar nature of transaction, if any. The prices/commercial terms will be determined on arm's length basis.
6	Any other information relevant or important for the members to take a decision on the proposed transaction.	Pritika Engineering Components Pvt. Ltd. is wholly owned subsidiary of the company.

The contracts, agreements, arrangements and transactions so carried out shall be at arm's length basis and in Company's ordinary course of business. No advances have been paid for the said transactions as of now. However if required in future, the advances will be paid as per industry norms, customs and usages. Further all the factors of the contract have been considered.

Pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities falling under the definition "Related Party" shall not vote to approve the resolution proposed at item no. 6 and 7 of the notice, irrespective of whether the entity is a party to the particular transaction or not. Accordingly, the promoters and promoter group will not vote to approve the proposed resolutions.

Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber together with their relatives hold in aggregate 17735855 Equity shares and M/s Pritika Industries Limited holds 24706690 Equity shares of the company and being promoters are concerned or interested in the Ordinary resolutions to this notice.

Except Mr. Raminder Singh Nibber, Mr. Harpreet Singh Nibber and Mr. Ajay Kumar, none of the Directors and Key Managerial persons of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 6 & 7.

The Board has recommended Ordinary Resolutions at Item No. 6 & 7 for approval by the Members.

**Item No. 8**

Mr. Raminder Singh Nibber (DIN: 00239117), was appointed as Whole Time Director of the Company by the members of the company by passing Special Resolution by way of postal ballot for a period of 3 years commencing from 01/04/2019 on the remuneration, terms and conditions approved by the members. His term as Whole time director is going to be completed on 31/3/2022. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company subject to approval by the shareholders of the company by Special Resolution, has reappointed him as whole time director for a period of three years w.e.f.1/4/2022 on the remuneration, terms & conditions contained in the resolution,

notwithstanding that he has attained the age of seventy five years.

Mr. Raminder Singh Nibber, aged 80 years is a Mechanical Engineer having about 59 years' experience in automobile industry. He is one of the promoters of the company. The continuance of Mr. Raminder Singh Nibber on the board of Directors of the Company is essential considering the long standing experience and his contribution in the progress of the company and as such he is pivotal to the establishment of the company.

Due to his sincere efforts and hard work, the company is progressing day by day. Mr. Nibber is in good health and his age will not be a limiting factor in performance of his duties and responsibilities.

He has been awarded Udyog Patra for Self-Made entrepreneur by the Institute of Trade and Industrial Development in July, 2003 and Star of the Asia Award by Economic Growth Society of India in the year 2015. He has also been awarded with excellence in Quality Award by Department of Industries & Commerce, Govt. of Punjab. He is active member of various Industrial & Trade Associations. He had been Chairman of CII, Mohali Zone. He is a member of Rotary Club, Chandigarh (Central) and Mohali Industries Association. He is also involved in Philanthropic Activities. He will continue as Chairman of the company and liable to retire by rotation. Mr. Raminder Singh Nibber is also Managing Director of Pritika Industries Ltd. and Director in Pritika Engineering Components Pvt. Ltd. and Pritika Holdings Pvt Ltd.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Raminder Singh Nibber, being appointee and Mr. Harpreet Singh Nibber being his relative are, in any way, concerned or interested in the said resolution. The Board recommends the special resolutions set forth at Item No. 8 of the Notice for the approval of the members.

The above be also considered as disclosure under the provisions of the Companies Act, 2013.

#### **Item No. 9**

Mr. Harpreet Singh Nibber (DIN: 00239042), was appointed as Managing Director of the Company by the members of the company in their Annual General Meeting held on 27/09/2017 for a period of five years w.e.f 30/5/2017.

The members of the by passing Special Resolution by way of postal ballot approved payment of remuneration to him for a period of 3 years commencing from 01/04/2019. The approval of payment of remuneration and other perquisites is going to be expired on 31/3/2022. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company subject to approval by the shareholders of the company by Special Resolution, has reappointed him as Managing Director for a period of three years w.e.f.1/4/2022 on the remuneration, terms & conditions contained in the resolution.

Mr. Harpreet Singh Nibber aged 49 years, is a B.E in Mechanical Engineering with more than 26 years experience in industry. He has been associated with the company since 2017 and is looking after all the functional areas. He is one of the promoters of the company. The continuance of Mr. Harpreet Singh Nibber on the board of Directors of the Company is essential considering his long standing experience and contribution in the progress of the company and as such he is pivotal to the establishment of the company. He will not be liable to retire by rotation. Mr. Harpreet Singh Nibber is also director in Pritika Industries Ltd., Pritika Engineering Components Pvt. Ltd. and Pritika Holdings Pvt. Ltd.

Mr. Harpreet Singh Nibber, being the appointee and Mr. Raminder Singh Nibber, being his relative, be deemed concerned or interested in this resolution.

The Board recommends the special resolution set forth at Item No. 9 of the Notice for the approval of the members. The above be also considered as disclosure under the provisions of the Companies Act, 2013.

#### **Item No. 10**

Mr. Ajay Kumar was appointed as Whole Time Director of the company for a period of three years w.e.f. 1/4/2019 by the members of the company by passing Special Resolution by postal ballot on remuneration, terms & conditions approved by the members. The term of Mr. Ajay Kumar is going to be completed on 31/3/2022. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company subject to approval by the shareholders of the company by Special Resolution, has reappointed him as Whole time director for a period of three years w.e.f.1/4/2022 on the remuneration, terms & conditions contained in the resolution.

Mr. Ajay Kumar aged 47 years, is a young B.E with M.B.A. He has more than 21 years experience in industry. He has been associated with the company since 2017 and is looking after all the functional areas. In view of his involvement and his extensive

knowledge of Company's operations and rich experience and expertise in production & marketing, it is proposed to reappoint him Whole Time Director designated as Executive Director and to pay him remuneration as per details in resolution. He will be liable to retire by rotation. Mr. Ajay Kumar is also director in Pritika Industries Ltd. Mr. Ajay Kumar, being the appointee be deemed concerned or interested in this resolution.

The Board recommends the special resolution set forth at Item No.10 of the Notice for the approval of the members by Special Resolution.

The above be also considered as disclosure under the provisions of the Companies Act, 2013.



**THE INFORMATION REQUIRED UNDER SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN CASE OF SPECIAL RESOLUTIONS AT ITEM No. 8,9,10 ARE AS FOLLOWS**

<b>I</b>	<b>General Information</b>																
1	Nature of industry	The company is engaged in manufacturing and selling of parts and components for Tractor Industry.															
2	Date of commencement of business	The Company commenced business in April, 1980															
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA															
4	Financial performance based on given indicators	<p>The Financial performance based on given indicators for the year ended 31/3/2021 is as follows:</p> <table> <tr> <td></td><td colspan="2">Amount (Rs. in lacs)</td></tr> <tr> <td></td><td>Consolidated</td><td>Standalone</td></tr> <tr> <td>Turnover</td><td>22568.93</td><td>19687.73</td></tr> <tr> <td>Net Profit (before tax)</td><td>855.51</td><td>797.26</td></tr> <tr> <td>EPS (in Rs.)</td><td>3.31</td><td>3.11</td></tr> </table>		Amount (Rs. in lacs)			Consolidated	Standalone	Turnover	22568.93	19687.73	Net Profit (before tax)	855.51	797.26	EPS (in Rs.)	3.31	3.11
	Amount (Rs. in lacs)																
	Consolidated	Standalone															
Turnover	22568.93	19687.73															
Net Profit (before tax)	855.51	797.26															
EPS (in Rs.)	3.31	3.11															
5	Foreign investments or collaborators, if any	The company does not have any foreign collaborations. Foreign investors mainly comprise of NRIs holding 19.35% and FPIs holding 11.17 % of total shareholding as on 30/6/2021.															

<b>II</b>	<b>Information about the appointee</b>			
	Name and Designation of the Director	Mr. Harpreet Singh Nibber Managing Director	Mr. Raminder Singh Nibber Whole-Time Director	Mr. Ajay Kumar Whole-Time Director
2	Background details	Mr. Harpreet Singh Nibber - aged 49 years, is a young B.E. in Mechanical Engineering having more than 26 years of experience in the industry. He has been trained for Production Management & Business Planning Programme at AOTS, OSAKA, Japan and has participated in Management programme for Entrepreneurs by Nadathur S. Raghavan Center for Entrepreneurial Learning (NSRCEL), January, 2009.	Mr. Raminder Singh Nibber – aged 80 years, is a Mechanical Engineer having 59 years' experience in industry. He is active member of various Industrial & Trade Associations. He had been Chairman of CII, Mohali Zone. He is a member of Rotary Club, Chandigarh (Central) and Mohali Industries Association.	Mr. Ajay Kumar- aged 47 years is a Mechanical Engineer with MBA. He has 21 years experience in the industry. He is an approved Internal Auditor for ISO. He has been associated with the company since 2017. He is looking after functional areas of production, marketing and growth strategy of the company.
3	Past remuneration paid	Basic Salary Rs. 8,06,250/- p.m. HRA Rs. 2,15,000/- p.m. The appointee is also entitled to other perks, perquisites and benefits as per details given in the resolution.	Basic Salary Rs. 5,37,500/- p.m. HRA Rs. 1,07,500/- p.m. The appointee is also entitled to other perks, perquisites and benefits as per details given in the resolution.	Basic Salary Rs. 2,95,625 p.m. HRA Rs.1,18,250 p.m. Uniform Allowance Rs. 7,000 p.m. Other Allowances Rs. 8,000 p.m. The appointee is also entitled to other perks, perquisites and benefits as

				per details given in the resolution.
4	Recognition or awards	He has been awarded Excellence in Quality Award at Enterprise 2001 at IETF in Delhi conducted by CII and bagged a display award in "Made in Punjab Show", Toronto, Canada.	He has been awarded Udyog Patra for Self-Made entrepreneur by the Institute of Trade and Industrial Development in July, 2003 and Star of the Asia Award by Economic Growth Society of India in the year 2015. He has also been awarded with excellence in Quality Award by Department of Industries & Commerce, Govt. of Punjab.	He is an approved Internal Auditor for ISO.
5	Job profile and his suitability	As Managing Director of the company, Mr. Harpreet Singh Nibber is responsible for the overall performance of the company. He has been instrumental in giving direction to the entire team of the company and has been responsible for monitoring their performance on regular basis. He is actively involved with the functional areas of production, marketing and growth strategy of the company. He has more than 26 year experience in industry. He is promoter and associated with the company since the year 2017. Keeping in view of his contribution to the Company, his qualification and experience, the Board considers his appointment to be in the best interests of the Company.	As whole time director he will be responsible for overall supervision and control of affairs of the business.  He is the Promoter of the company and is associated with the company since 2017. He has 59 years experience in industry. His entrepreneurial spirit coupled with the engineering skills & the thorough understanding about the procurement process makes him highly suitable for the job. He is in good health and his age will not be a limiting factor in execution of his duties and responsibilities.	As whole time director he will be responsible for handling production, quality and marketing. He has about 21 years of experience in various engineering industries and has been associated with Pritika Group for the last 19 years. Keeping in view of his contribution to the Company, his qualification and experience, the Board considers his appointment as whole time director to be in the best interests of the Company.
6	Remuneration proposed	Salary Rs. 8,06,250/- per month and HRA Rs. 215000/- per month and perquisites. For perquisites details, please refer Resolution No. 9 of the notice.	Salary Rs. 5,37,500/- per month, HRA Rs. 107500/- p.m. and perquisites. For perquisites details, please refer Resolution No.8 of the notice.	Salary Rs.2,95,625/- per month, HRA Rs.118250/- per month and perquisites. For perquisites details, please refer Resolution No. 10 of the notice.
7	Comparative remuneration with respect to industry, size of company, profile of the position	Taking into consideration of the size of company, profile of Mr. Harpreet Singh Nibber and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the	Taking into consideration of the size of company, profile of Mr. Raminder Singh Nibber and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the	Taking into consideration of the size of company, profile of Mr. Ajay Kumar and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration

	and person	remuneration package paid to the managerial persons in other companies in the industry.	remuneration package paid to the managerial persons in other companies in the industry.	package paid to the managerial persons in other companies in the industry.
8	Pecuniary Relationship with the Company and Other Managerial Person or director in the Company	Besides the remuneration proposed, he also holds 10274670 equity shares of the company. He is Son of Mr. Raminder Singh Nibber, Chairman & director of the company.	Besides the remuneration proposed, he also holds 5855910 equity shares of the company. Mr. R.S. Nibber is father of Mr. Harpreet Singh Nibber, Managing Director of the Company .	Besides the remuneration proposed, he also holds 4850 equity shares of the company. Mr. Ajay Kumar is not related to any other Director and Key Managerial Personnel of the Company.

III.	Other Information	
1	Reasons of loss or inadequate profits	The Company does not envisage any loss or inadequate profits. Since the company is engaged in a labour intensive sector and is susceptible to raw material fluctuation and challenging business environment, this may affect the profitability of the Company in future. The Company proposes to obtain approval of Members as an abundant caution in case the profits are insufficient to pay the managerial remuneration as above.
2	Steps taken or proposed to be taken for improvement	The business model of Pritika has been centred around automotive and tractor components for OEM manufacturers. The company believes that it is well positioned to capture significant growth opportunities and profitability. The company has taken following steps: -Extensive reach and market share -Strong marketing -Strong distribution and high connectivity -State of art technology and infrastructure -To control cost and wastage -To increase capacity utilization and scale of operation
3	Expected increase in productivity and profits in measurable term`	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

## **Chairman's Message to Shareholders**

The past financial year has been a challenging one, with the COVID-19 pandemic worsening an already-sluggish automotive market. The pandemic hampered business operations during the initial months of the year, and recovery has been gradual since then. Infact with the second wave of the pandemic going on, scenario in various regions remains uncertain.

However, our Company has proven to be resilient in the face of such headwinds and sustained through this phase, which impacted all players in the value-chain, from OEMs to tier-2 suppliers. Our revenue for this financial year grew 34.4% year-on-year to Rs. 225.7 cr, while EBITDA and PAT grew 13.3% and 5.2% to Rs. 23.8 cr and Rs. 5.9 cr, respectively. Despite the market upheavals, we improved our realizations per ton.

In the post-COVID scenario, a boost in the agriculture sector based on healthy monsoon, has given a reviving trigger for the tractor market. Infact in January 2021, we registered our highest ever monthly sales volume at 3177 tons and the last quarter saw our highest quarterly volumes at 10,123 tons. This reflects a strong order book, as various leading OEMs continue to rely on us for quick on-time delivery of products.

The previous year witnessed our foray into international markets in the form of our first export order from a multi-national conglomerate in the US. Our regular participation in 'Agritecnica', a Germany-based trade fair for agricultural equipment, gave us visibility in the foreign markets and fructified into this export order. The order was for casted products for use in material handling applications, thereby expanding our catering beyond the tractor and commercial vehicle sectors. Client satisfaction was testified by a repeat order from the same US-based company for a much larger value. Together, our export orders are now worth USD 2 million. This reflects our consistent quality and on-time delivery that has earned us the trust of international clients. A potential growth in our export business is also likely to reduce our exposure to any volatility in the domestic automotive sector.

We also won several additional orders for components such as axle housings etc. from existing clients this year, while adding a new prestigious client to our customer-base. This makes us one of the top go-to component manufacturers for all leading tractor OEMs in India. Recovery in demand, coupled with our export business and continuous improvement in operational efficiencies, should help us regain momentum and improve profitability going forward. We are poised to capture new opportunities as they arise in terms of our production capacities.

I would like to thank the entire team of Pritika Auto for their untiring efforts, hard work and dedication during these turbulent times, as well as all the stakeholders for their undeterred faith in our Company, which motivates us to set and achieve higher benchmarks.

**Raminder Singh Nibber**  
**Chairman**



## **DIRECTOR'S REPORT**

Dear Shareholders,

The Directors have pleasure in presenting their 41<sup>st</sup> Annual Report on the business and operations together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### **1. FINANCIAL RESULTS**

The Financial results are briefly indicated below:

(In Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations (net)	19687.73	14903.03	22568.93	16795.18
Other Income	112.01	175.66	149.21	149.51
Profit before Interest, Depreciation and Tax (PBIDT)	2174.07	2015.77	2526.98	2247.97
Interest	631.16	587.74	821.69	726.61
Profit before Depreciation and Tax (PBIT)	1542.91	1428.03	1705.29	1521.36
Depreciation	745.65	677.24	849.78	755.42
Profit before Tax Expenses	797.26	750.79	855.51	765.94
Tax Expenses	245.69	206.72	268.51	208.09
Profit after Tax	551.57	544.07	587.00	557.85
Other Comprehensive Income	146.54	33.12	146.70	61.24
Total Comprehensive Income	698.11	577.19	733.70	619.09
EPS- Basic	3.11	3.07	3.31	3.15
Diluted	3.09	3.04	3.29	3.12

The Standalone Revenue from the operations (net) for the Financial Year 2020-21 was Rs.19687.71 lac (Previous year Rs. 14903.03 lac). The company earned Net Profit of Rs.551.57 lac (Previous Year Rs. 544.07 lac). The Total Comprehensive Income for the year was Rs.698.11 lac.

The Consolidated Revenue from the operations (net) for the Financial Year 2020-21 was Rs. 22568.93 lac (Previous Year Rs. 16795.18 lac). The company earned Consolidated Net Profit Rs. 587.00 lac (Previous Year Rs.557.85 lac). The Consolidated Total Comprehensive Income for the year was Rs. 733.70 lac.

There was no change in the nature of business of the company during the year.

The previous year figures have been restated, rearranged, regrouped and consolidated, to enable comparability of the current year figures of accounts with the relative previous year's figures.

### **2. INDUSTRIAL SCENARIO**

The auto components industry in India has seen steady growth over the past several years. Except intermittent slowdowns such as that in 2019, the industry has grown at a CAGR of 6% during FY2016 to FY2020, reaching \$49.3 billion in FY20. Some of the factors driving investments in this sector include a large domestic market (rise in working population), a stable and supportive government framework and rising development in infrastructure. This sector alone accounts for around 2.3% of the country's GDP, driven by the automotive industry which is India's fourth largest industry.

The financial year 2021 was full of ups and downs, not only for the tractor industry but for all sectors. The world faced a pandemic this year that directly affected tractor sales initially, but tractor companies came stronger over time.

The financial year'21 was tough during the first 2 months as sales dropped by 80% in April due to nationwide lockdown but post-lockdown phase saw a gradual demand recovery in all vehicle segments, tractor sales which depend on a strong rural economy, remained robust. The overall yearly tractor sales recorded a boom of 26.86%. A growth displayed in comparison to the previous year as Apr'20-Mar'21 tractors sold 899429 units

against 709002 units surpassing all expectations and projections. International players are establishing deeper presence in India through exploring strategic alliances with Indian OEMs. To remain competitive in a very value conscious market, tractor OEMs are competing to offer better value proposition to farmers.

Healthy farm cash flows across regions, stable crop prices, supported by government's focus on procurement, and healthy reservoir levels and government support programmes (including direct benefit transfers) supported the industry demand. All these factors helped the industry record a growth in volumes of 25-26 per cent in FY21 and touch an all-time high, said Rohan Kanwar Gupta, Assistant Vice-President & Sector Head, Corporate Ratings, ICRA.

The most important factor during Covid-19 was the least disruption to rural and agri segments, supporting demand for farm equipment Industry representatives and experts see tractor sales momentum continuing in FY22 too.

Drawing parallels between last year and the current situations, TR Kesavan, President of Tractor & Mechanisation Association (TMA), is hopeful that procurement season will not face any major problems despite logistical hurdles including a shortage of labour.

ACMA forecasts the Indian auto components industry to touch \$200 billion by 2026, backed by strong exports. This augurs well for the industry which has been under pressure since the last year.

### **3. SHARE CAPITAL**

During the year under review, there was no change in the Share Capital of the company. As at March 31, 2021, the total paid-up share capital of the company stood at Rs. 1773.45 lacs divided into 17734500 equity shares of Rs. 10/- each.

The company had issued on preferential basis to non-promoter (public) category, 575000 convertible warrants at Rs. 200/- per warrant (paid-up Rs. 50/-), each warrant convertible into one equity share of Rs. 10/- each to be issued at a price of Rs. 200/- per share i.e. at a premium of Rs. 190/- per share. The last date to exercise entitlement for conversion of warrant and to apply for allotment of equity shares was 20/7/2020. The Allottees failed to apply for allotment of equity shares on conversion and to make the payment of balance amount of Rs. 150/- towards the subscription of each equity share within prescribed period of 18 months. Hence, the entitlement of warrant holders to apply for equity shares of the company along with the rights attached thereto expired and the amount paid on such warrants stands forfeited, pursuant to the provisions of SEBI (ICDR) Regulations, 2018.

The company during the current financial year, with the approval of shareholders and other requisite authorities has sub divided each equity share of the face value of Rs. 10 into five equity shares of Rs. 2 each. Consequently, the Issued Capital of the company has been changed from 17734500 equity shares of Rs. 10/- each to 88672500 equity shares of Rs. 2/- each.

### **4. LISTING ON NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE)**

We feel pleasure in informing you that your company has listed its securities (equity shares) on NSE w.e.f. 10/8/2021. It will create more investment opportunities, enabling access and empowering our stakeholders. The Stock Code with NSE is: PRITKAUTO.

### **5. SCHEME OF ARRANGEMENT**

To consolidate and synchronize the business structure, the Board of Directors, subject to the approval/consent of the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited), Securities and Exchange Board of India (SEBI), members, creditors, National Company Law Tribunal of Punjab, Chandigarh Bench, (NCLT) and other relevant Authorities, approved: -

- Scheme of Arrangement between Pritika Industries Limited, the Demerged Company and Pritika Auto Industries Limited, the Resulting Company, for demerger and vesting of the Automotive/Tractor/Engineering Components Business Undertaking' (Demerged Undertaking) of Pritika

Industries Ltd. (PIL - the demerged company) into Pritika Auto Industries Ltd. (PAIL - the Resulting Company).

- The Appointed date is 1<sup>st</sup> April, 2021.
- The “Effective Date” will be the dates on which the certified copies of the orders sanctioning this Scheme, passed by the National Company Law Tribunal, are filed with the Registrar of Companies, Punjab & Chandigarh, by PIL and PAIL.
- Upon the Scheme coming into effect, 63 equity shares of PAIL (“Resulting Company”) of INR 2/- each fully paid up be issued to equity shareholders of PIL (“Demerged Company”), in addition to, not substitution of, for every 10 equity shares of INR 10/- each fully paid of PIL (“Demerged Company”) as consideration for Demerger.

## **6. DIVIDEND**

Considering the financial results and to plough back surplus of the Company, the Board did not recommend payment of any dividend for the year ended 31<sup>st</sup> March, 2021.

## **7. TRANSFER TO RESERVE**

During the financial year, there was no amount proposed to be transferred to the Reserves.

## **8. AUDITORS & AUDITORS’ REPORT**

M/s. Sunil Kumar Gupta & Co., Chartered Accountants, New Delhi were appointed as statutory auditors of the company for a period of five years in the 38<sup>th</sup> AGM i.e. till the conclusion of the 43<sup>rd</sup> Annual General Meeting to be held for the FY 2022-23.

The Auditors’ Report for the fiscal 2021 does not contain any qualification, reservation or adverse remark. Further, in terms of section 143 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, as amended, no fraud has been reported by the Auditors of the Company where they have reasons to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company.

## **9. DEPOSITS**

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. . Hence company need not to give details related to deposits. There is no non compliance of the provisions of Chapter V of the Companies Act 2013.

## **10. PARTICULARS OF EMPLOYEES**

Disclosure pertaining to the remuneration and other details as required under the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendments thereof, is attached as **Annexure A**.

## **11. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION**

The Board has, on the recommendation of the Nomination & Remuneration Committee, adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

-The Nomination & Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director and ensures that the candidate identified possesses adequate qualification, expertise and experience for the appointment as a Director.

-The Nomination & Remuneration Committee ensures that the candidate proposed for appointment as Director is compliant with the provisions of the Companies Act, 2013.

-The candidate’s appointment as recommended by the Nomination and Remuneration Committee requires the approval of the Board.

-In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independent nature of the Directors vis- à-vis the Company so as to enable the Board to discharge its function and duties effectively.

-The Nomination and Remuneration Committee ensures that the candidate identified for appointment as a Director



is not disqualified for appointment under Section 164 of the Companies Act, 2013.

-The policy can be viewed at company's website at <http://www.pritikaautoindustries.com/investors.html>

## **12. CORPORATE GOVERNANCE**

Report on Corporate Governance and Certificate of the Secretarial Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Schedule V read with Regulation 34(3), of the SEBI (LODR) Regulations, are provided in a separate section and forms part of this Report as Annexure B.

## **13. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

There was no company which have become or ceased to be company's Subsidiaries, joint ventures or associate companies during the year.

## **14. SUBSIDIARIES**

There is one wholly owned subsidiary namely 'Pritika Engineering Components Pvt. Limited'.

In accordance with the provisions of Section 129(3) of the Act, read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of the subsidiary is attached as **Annexure C** to this Report.

## **14. STATEMENTS OF PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

Information in accordance with the provisions of Section 134 (3)(m) of the Act read with the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo during the reporting period is attached herewith and marked as **Annexure-D**.

## **15. RELATED PARTY TRANSACTIONS**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and forms part of this report as **Annexure- E**.

## **16. EXTRACT OF ANNUAL RETURN**

By virtue of amendment to Section 92(3) of the Companies Act, 2013, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report. The copy of Annual Return as at 31<sup>st</sup> March, 2021, after it is submitted with MCA, will be placed on the company's website at <http://www.pritikaautoindustries.com/investors.html>.

## **16. SECRETARIAL AUDIT REPORT**

As required under section 204(1) of the Companies Act, 2013 and Rules made there under, the Company has appointed Mr. Sushil K Sikka, Prop. S K Sikka & Associates, Company Secretary as Secretarial Auditor of the Company for the Financial Year 2020-21. The Secretarial Audit Report forms part of the Annual Report.

The Copy of Secretarial Audit Report for the Financial Year 2020-21 issued by Mr. Sushil K Sikka, Company Secretary in Practice has been attached and marked as **Annexure – F**. The Secretarial Auditors' Report for the fiscal 2021 does not contain any qualification, reservation or adverse remark.

## **17. MANAGEMENT DISCUSSION ANALYSIS REPORT**

The details forming part of Management Discussion and Analysis Report is annexed herewith to the Board Report as **Annexure G**.

## **18. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.



## **18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loan, guarantee and investment covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the financial statements.

## **19. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The details about the policy developed and implemented by the company on CSR initiatives taken during the year is enclosed at **Annexure H**. The company has also developed a policy on Corporate Social Responsibility which can be viewed at the company's website at <http://www.pritikaautoindustries.com/investors.html>.

## **20. MEETINGS OF BOARD OF DIRECTORS**

The Board met five times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

## **20. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

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

## **21. CORPORATE ACTIONS DURING THE YEAR 2020-21**

During the Financial Year 2020-21, the Company made following Corporate Actions:

### **POSTAL BALLOT**

The Company conducted Postal Ballot in order to seek the approval of the Shareholders for the following matters vide notice dated 11<sup>th</sup> February, 2021.

Sub-division of equity shares from the face value of Rs 10/- per share to Rs. 2/- per share (by Ordinary Resolution)

Alteration of the Capital Clause in the Memorandum of Association of the company (by Ordinary Resolution)

Alteration of Articles of Association of the company (by Special Resolution)

Re-appointment of Ms. Neha as an independent director on the board (by Special Resolution)

All the above resolutions were passed with requisite majority.

## **22. COMPOSITION OF COMMITTEES**

The Company has complied with the SEBI (LODR) Regulations along with the Companies Act, 2013 with respect to the Composition of the Committees as required therein and the details of which is given under Corporate Governance Report annexed to this Report.

## **23. BOARD EVALUATION**

The Board of Directors have carried out an annual evaluation of its own performance, its various committees and individual directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under Regulation 17(10), 25(4) and other applicable provisions of the SEBI (LODR) Regulations. The manner of evaluation is provided in the Corporate Governance Report.

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

### **Re-Appointment of Director**

Mr. Ajay Kumar (DIN: 02929113) retires by rotation at the ensuing Annual General Meeting, and being eligible offers himself for re-appointment.

### **Independent Directors**

Independent Directors on your Company's Board have submitted declarations of independence to the effect that

they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board our Independent Directors possesses requisite qualification, experience and hold high standards of integrity for the purpose of Rule 8(5)(iii a) of the Companies (Accounts) Rules, 2014.

### **Change in Composition of Board**

During the Financial Year 2020-21 there were following changes in the composition of Board of Directors:

Mr. Subramaniyam Bala (DIN: 00461697) was appointed as Independent Director w.e.f. August 29, 2020 for a period of 1 year.

Mr. Neeraj Bajaj (DIN:00035778), Independent Director on the Board has resigned w.e.f. 4/1/2021.

During the current Financial year

Ms. Neha (DIN:08109737) was reappointed as an Independent Director on the Board for second term of three years w.e.f. 24/4/2021.

The Board on the recommendation of Nomination & Remuneration Committee and subject to the approval of members of the company, has reappointed Mr. Subramaniyam Bala (DIN: 00461697) as Independent Director for the second term of five years w.e.f. August 29, 2021.

### **Key Managerial Personnel**

There was no change in Key Managerial Personnel during the FY 2020-21.

However during the Current Financial Year the Board on the recommendation of Nomination & Remuneration Committee and subject to the approval of the members of the company has re appointed

Mr. Raminder Singh Nibber (DIN: 00239117) as Whole time director of the company for a period of three years on the terms & conditions stated in the resolution, w.e.f. 1/4/2022.

Mr. Harpreet Singh Nibber (DIN: 00239042) as Managing Director of the company for a period of three years on the terms & conditions stated in the resolution, w.e.f. 1/4/2022.

Mr. Ajay Kumar (DIN: 02929113) as Whole time of the company for a period of three years on the terms & conditions stated in the resolution, w.e.f. 1/4/2022.

## **25. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the accounts for the financial year ended 31st March, 2021 on a going concern basis.
- e. 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.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and

that such systems were adequate and operating effectively.

## **26. COST AUDITORS**

As per requirement of the Regulation 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, M/s. Khushwinder Kumar & Co., Cost Accountants, (Firm Registration No. 100123) was appointed as Cost Auditor to audit the Cost Accounts of the company for the Financial Year 2020-21.

On the recommendation of Audit Committee, the Board has reappointed M/s. Khushwinder Kumar & Co., Cost Accountants, (Firm Registration No. 100123) as Cost Auditor to audit the Cost Accounts of the company for the Financial Year 2021-22.

As required under the Act, a resolution seeking members' approval for remuneration payable to the Cost Auditor, forms part of the notice convening the Annual General Meeting for their ratification.

## **27. INTERNAL AUDITORS**

The Company has reappointed M/s. PVNS & Co., Chartered Accountants, Chandigarh as Internal Auditors of the Company for financial year 2021-22.

## **28. COST RECORDS**

As specified by the Central government under sub section (1) of section 148 of the Companies Act, 2013, the company has been maintaining cost records.

## **29. INTERNAL FINANCIAL CONTROLS & RISK MANAGEMENT**

Pursuant to the provisions of Section 177(4) & Section 134(3)(n) of the Companies Act, 2013, the Board has developed Internal Finance Control Policy to identify and mitigate risks. The provisions of Regulation 21 of SEBI Listing Regulations 2015 pertaining to Risk Management Committee are not applicable to the company.

## **30. WHISTLE BLOWER POLICY AND VIGIL MECHANISM**

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behavior in all its operations, the Company has formulated Vigil Mechanism Policy. This policy aspires to encourage all employees to report suspected or actual occurrence of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest/image.

## **31. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has complied with the provisions of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details pertaining to complaints are mentioned in the Corporate Governance Report placed at Annexure B.

## **32. ACKNOWLEDGEMENTS**

Your Directors wish to express their sincere appreciation to all the Employees for their contribution and thanks to our valued clients, Bankers and shareholders for their continued support.

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

**Sd/-**

**Raminder Singh Nibber  
Chairman**

**Date: 14/08/2021  
Place: Mohali**

## ANNEXURE A

### Details Pertaining to Remuneration as Required Under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**1. Particulars of top 10 employees in terms of remuneration drawn, pursuant to Rule 5 of Cos. (Appt. & Remuneration of Managerial Personnel) Rules, 2014, as amended, as on 31.03.2021**

S. No	Name	Designation	Remuneration received (Rs. per annum)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age of employee	Last employment before joining the company/ amalgamation	%age of equity shares held in company	If employed through out year or part thereof	Whether relative of any director/ manager of the company
1.	Mr. Harpreet Singh Nibber	Managing Director	10402500	Contractual	B.E (Mech.) 25 Yrs	30/05/2017	49 Yrs.	Pritika Autocast Ltd.	11.59	Through out year	Yes, son of Mr. Raminder Singh Nibber, Chairman
2.	Mr. Raminder Singh Nibber	Chairman	6570000	Contractual	Mech. Engineer 56 years	30/05/2017	80 Yrs.	Nibber Castings Pvt. Ltd.	6.60	Through out year	Yes, father of Mr. Harpreet Singh Nibber, MD
3.	Mr. Ajay Kumar	Executive Director	4063000	Contractual	B.Tec., M.B.A 26 yrs.	01/08/2017	47 Yrs.	Pritika Autocast Ltd.	0.00	Through out year	No
4.	Mr. Narinder Kumar Tyagi	Chief Financial Officer	2339998	Permanent	Chartered Accountant 30 years	01/06/2018	57 Yrs.	Lark Non Ferrous Metals Ltd.	Nil	Through out year	No
5.	Mr. P. Narayan	AGM	1227013	Permanent	ITI Moulder Trade 15 years	01/12/1998	54 Yrs.	AB Tools Ltd.	Nil	Through out year	No
6.	Mr. Rajesh Rattan	AGM	1191164	Permanent	Diploma in Mech. Engg. 33 yrs.	12/04/2006	52 Yrs.	DCM Engg. Products Ltd.	Nil	Through out year	No
7.	Mr. Chander Bhan Gupta	Company Secretary	1121389	Permanent	B.Com., LL.B., FCS 34 yrs.	01/07/2014	59 Yrs.	Pritika Autocast Ltd.	Nil	Through out year	No
8.	Mr. Gurnam Singh	DGM	1089433	Permanent	Diploma in Mech. Engg. 29 yrs.	01/04/2008	53 Yrs.	Pritika Autocast Limited	Nil	Through out year	No
9.	Mr. Rakesh Aggarwal	Sr. Manager Accounts & Finance	993324	Permanent	CA, B.Com (H) 9 yrs.	16/02/2018	33 Yrs.	Sunil Kumar Gupta & Co.	0.00	Through out year	No
10.	Mr. Sujeet Kumar Singh	AGM Foundry production	805949	Permanent	BSC 24 yrs.	20/03/2020	47 Yrs.	Catex technologies Ltd.	Nil	Through out year	No



**2. Detail of employee who was Employed throughout the year and was in receipt of remuneration at the rate of not less than Rs. 1,02,00,000/- per annum:**

S. No	Name	Designation	Remuneration received (Rs. per annum)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age of employee	Last employment before joining the company/ amalgamation	%age of equity shares held in company	If employed through out year or part thereof	Whether relative of any director/ manager of the company
1.	Mr. Harpreet Singh Nibber	Managing Director	10402500	Contractual	B.E (Mech.) 25 Yrs	30/05/2017	50 Yrs	Pritika Auto cast Ltd.	11.59	Through out year	Yes, son of Mr. Raminder Singh Nibber, Chairman

**3. Ratio of remuneration of each director to median remuneration of employees**

Name of Director	Designation	Ratio of remuneration to median remuneration of employees
Mr. Harpreet Singh Nibber	Managing Director	64.51
Mr. Raminder Singh Nibber	Chairman & WTD	40.74
Mr. Ajay Kumar	Executive Director	25.19
Mr. Neeraj Bajaj*	Independent Director	2.48
Mr. Yudisthir Lal Madan	Independent Director	4.03
Ms. Neha	Independent Director	1.55
Mr. Subramaniyam Bala	Independent Director	1.08

\*Ceased to be director w.e.f. 04.01.2021

Independent Directors were paid sitting fees.

**4. Percentage increase in remuneration of Directors and KMP**

Name of Director	Designation	Percentage increase in remuneration
Mr. Harpreet Singh Nibber	Managing Director	1.86
Mr. Raminder Singh Nibber	Chairman & WTD	1.86
Mr. Ajay Kumar	Executive Director	3.55
Mr. Neeraj Bajaj*	Independent Director	N.A. (Sitting fees was paid)
Mr. Yudisthir Lal Madan	Independent Director	N.A. (Sitting fees was paid)
Ms. Neha	Independent Director	N.A. (Sitting fees was paid)
Mr. Subramaniyam Bala	Independent Director	N.A. (Sitting fees was paid)
Mr. Narinder Kumar Tyagi	Chief Financial Officer	0.46
Mr. Chander Bhan Gupta	Company Secretary	Nil

\*Ceased to be director w.e.f. 04.01.2021

5. In the financial year, there was an increase of 14.18% in the median remuneration of employees.

6. There were 366 permanent employees on the rolls of the Company as on March 31, 2021.

7. Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e 2020-21 was 9.49 % whereas the percentile increase in the managerial remuneration for the same financial year was 2.18%.

8. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the company.

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

**Date:** 14/08/2021  
**Place:** Mohali

**Sd/-**  
**Raminder Singh Nibber**  
**Chairman**

## ANNEXURE B

### Report on Corporate Governance

In compliance with regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), the Company submits the report for the year ended 31<sup>st</sup> March, 2021 on the matters mentioned in the said regulations and lists the practices followed by the Company.

#### 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's Corporate Governance is a reflection of its value system that emphasizes on ethical dealings, transparency, fairness, disclosure and accountability. The Company has adopted a Code of Conduct for Directors and Senior Management. In addition, the Company has issued guidelines for appointment of Independent directors containing Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The commitment of the company to the highest standards of good corporate governance ensures that we gain and retain the trust of our stakeholders at all times.

#### 2. BOARD OF DIRECTORS:

The Board of Directors of your Company as on 31<sup>st</sup> March, 2021 comprised of six Directors as detailed below:

##### i. Composition of Board of Directors

Name of the Directors	Category	Inter-se Relationship between Directors
Mr. Harpreet Singh Nibber	Managing Director, Promoter	Son of Mr. Raminder Singh Nibber
Mr. Raminder Singh Nibber	Chairman, Executive Director, Promoter	Father of Mr. Harpreet Singh Nibber
Mr. Ajay Kumar	Executive Director, Non-Promoter	-
Mr. Yudhisthir Lal Madan	Independent Director	-
Mr. Subramaniyam Bala	Independent Director	-
Mrs. Neha	Independent Director	-

During the financial year under review, Five (5) Board Meetings were held on the following dates: (i) 29<sup>th</sup> June, 2020 (ii) 29<sup>th</sup> August, 2020 (iii) 7<sup>th</sup> November, 2020 (iv) 11<sup>th</sup> February, 2021 and (v) 26<sup>th</sup> March 2021.

Name of Director	Board Meetings attended	Attendance at last AGM	No. of Directorships held in Companies (including PAIL)	Other Listed Entities where person is director		No. of Committees of Public Ltd Company in which director is Member or Chairperson (including PAIL)*	
				Name of Listed Entity	Category	Members	Chairperson
Mr. Harpreet Singh Nibber	05	Yes	04	None	NA	02	-
Mr. Raminder Singh Nibber	05	Yes	04	None	NA	02	-
Mr. Ajay Kumar	05	Yes	02	None	NA	-	-
Mr. Yudhisthir Lal Madan	05	No	03	Ramkrishna Forgings Ltd.	Independent Director	02	02
Mrs. Neha	05	No	02	None	NA	01	02
Mr. Neeraj Bajaj*	03	No	03	Precision Electronics Ltd.	Independent Director	01	01

Mr. Subramaniyam Bala*	03	Yes	02	None	NA	01	01
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\*Mr. Subramaniyam Bala was appointed as director w.e.f. 29.08.2020 onwards.

Mr. Neeraj Bajaj ceased to be director w.e.f. 04.01.2021.

None of the Directors on the Board holds the office of director in more than 20 companies or membership of more than 10 committees of the Board or chairmanship of more than 5 committees of the Board.

Details of Board Meeting attended, attendance at AGM, and number of directorship held position of membership/ chairmanship of Committees as on 31st March, 2021 is explained in the above table.

\* Audit Committee and Stakeholders' Relationship Committee have been considered for the purpose of Membership and Chairmanship held by the Director in Public Limited Companies.

#### • Key Board Qualifications

Area of Expertise	Financial	Leadership & Administration	Technical Knowledge	Sales & Marketing
Availability of expertise with the Board				
Mr. Raminder Singh Nibber	✓	✓	✓	✓
Mr. Harpreet Singh Nibber	✓	✓	✓	✓
Mr. Ajay Kumar	—	✓	✓	✓
Mr. Yudhisthir Lal Madan	✓	✓	—	—
Mr. Neeraj Bajaj	✓	✓	—	✓
Mrs. Neha	✓	✓	—	—
Mr. Subramaniyam Bala	—	✓	✓	✓

- None of the non-executive directors hold shares or convertible instruments.
- The details of familiarization program imparted to independent directors can be found at <http://www.pritikaautoindustries.com/investors.html>
- In the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.
- Mr. Neeraj Bajaj, Independent Director resigned w.e.f. 4<sup>th</sup> January 2021 owing to preoccupation.

### 3. **AUDIT COMMITTEE:**

The terms of reference of the Audit Committee, inter alia, include the following:

- To oversee the Company's financial reporting process.
- To review the adequacy of internal audit function.
- To review with the Management the quarterly/half yearly/ annual financial results/ statements and auditor's report thereon before submission to the board for approval.
- To review with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.)
- To review and monitor the auditor's independence and performance, and effectiveness of audit process.
- To recommend the appointment/re-appointment of Statutory Auditors and Internal Auditors and fixation of audit fees.
- To review significant internal audit findings/related party transactions, reviewing the management discussion and analysis of financial condition and result of operations and also statutory compliance issues relating to financial statements.
- To evaluate internal financial controls and risk Management system.
- To review the functioning of the Whistle Blower Mechanism/Vigil Mechanism.
- To scrutinize of inter-corporate loans and investments, if any.
- To approve appointment of CFO, etc.



The Composition of the Audit Committee as on 31.03.2021 and the number of meetings attended by members is given herein below:

Member's Name	Category	Designation	No. of meetings attended
Mrs. Neha	Independent Director	Chairperson	04
Mr. Raminder Singh Nibber	Executive Director, Promoter	Member	04
Mr. Yudhisthir Lal Madan	Independent Director	Member	04
Mr. Subramaniyam Bala	Independent Director	Member	02

During the financial year under review, Four (4) Audit Committee Meetings were held on (i) 29<sup>th</sup> June 2020 (ii) 29<sup>th</sup> August 2020 (iii) 7<sup>th</sup> November 2020 and (iv) 11<sup>th</sup> February 2021.

#### 4. **NOMINATION AND REMUNERATION COMMITTEE:**

The terms of reference of Nomination and Remuneration Committee include the matters specified in Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013. The terms of reference of the Nomination & Remuneration Committee inter-alia includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To review and recommend the Remuneration policy of the Company.

The Composition of the Nomination and Remuneration Committee as on 31.03.2021 and the attendance of members is given below:

Member's Name	Category	Designation	No. of meetings attended
Mr. Subramaniyam Bala	Independent Director	Chairperson	01
Mr. Raminder Singh Nibber	Executive Director	Member	02
Mr. Yudhisthir Lal Madan	Independent Director	Member	02
Mrs. Neha	Independent Director	Member	02

During the financial year under review, Two (02) Nomination and Remuneration Committee meetings were held on 29<sup>th</sup> August, 2020 and 11<sup>th</sup> February, 2021.

#### **Performance Evaluation criteria for Independent/Non-Independent Directors:**

Based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board, the performance of the individual Non-Independent Directors are evaluated annually on basis of criteria such as qualifications, experience, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment (as a Director), contribution and integrity.

Each individual Independent Director is reviewed, based on the additional criteria of independence and independent views and judgement. Similarly, the performance of the Chairman is evaluated based on the additional criteria such as effectiveness of leadership and ability to steer the meetings, impartiality, commitment (as Chairperson) and ability to keep shareholders' interests in mind.

The following were the criteria for evaluating performance of the Independent Directors:

- Adequate qualifications & skills to understand Corporate Culture, Business & its complexities.
- Adequate preparation for Board, Committee & General Meetings and updating knowledge of area of expertise.
- Attendance & active participation in above meetings.
- Objective & constructive participation in informed & balanced decision-making.



- No abuse of position detrimental to Company's/ shareholder's interest and/or personal advantage, direct or indirect.
- Ability to monitor Management Performance and integrity of financial controls & systems.
- Active and timely execution of any tasks assigned by the Board.
- Communication in open and fair manner.
- Credibility, directions & guidance on Key issues in the best interest of Company.
- Criteria of Independence.

On the basis of feedback/ratings, the Committee evaluated the performance of the Independent Directors of the Company.

#### 5. **REMUNERATION OF DIRECTORS:**

The remuneration of directors is recommended by the Nomination and Remuneration Committee of the Board in line with the Remuneration Policy of the Company and approved by Board and if required are also approved by the Shareholders.

The remuneration paid to the Executive Directors i.e. Managing Director and Whole Time Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors subject to shareholders' approval in the subsequent General Meeting. Also, there are no performance linked incentives.

Details of remuneration paid to Directors for the Financial Year 2020-21 are as follows:

Sr No.	Name of Director	Sitting Fees	Salary	Perquisites	Benefits	Commission	Bonus	Stock Option	Total
01	Mr. Harpreet Singh Nibber	-	10402500	-	-	-	-	-	10402500
02	Mr. Raminder Singh Nibber	-	6570000	-	-	-	-	-	6570000
03	Mr. Ajay Kumar	-	4063000	-	-	-	-	-	4063000
04	Mr. Yudhisthir Lal Madan	650000	-	-	-	-	-	-	650000
05	Mr. Neeraj Bajaj*	400000	-	-	-	-	-	-	400000
06	Mrs. Neha	250000	-	-	-	-	-	-	250000
07	Mr. Subramaniyam Bala**	175000							175000
	<b>Total</b>	<b>1475000</b>	<b>21035500</b>						<b>22510500</b>

\*Ceased to be director w.e.f. 04.01.2021.

\*\*Appointed w.e.f. 29.08.2020.

None of the Independent Directors/Non Executive Directors have any pecuniary relationship with the Company other than the sitting fees received by Independent directors for attending the meeting of the Board and/or Committee thereof.

The company has not issued any stock options during the year to any person including the directors.

#### 6. **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

Stakeholders Relationship Committee has been constituted to attend and redress the grievances of security holders of the company. The Committee is chaired by Mrs. Neha, Independent Non Executive Director on the Board of the Company.

The composition of Stakeholders Relationship Committee as on 31.03.2021 was as under:

Member's Name	Category	Designation	No. of meetings attended
Mrs. Neha	Non-Executive, Independent Director	Chairperson	02
Mr. Raminder Singh Nibber	Executive Director	Member	02
Mr. Harpreet Singh Nibber	Executive Director	Member	02

During the financial year under review, Two (2) Stakeholder Relationship Committee meetings were held on 29<sup>th</sup> June, 2020 and 7<sup>th</sup> October, 2020.

Mr. Chander Bhan Gupta, Company Secretary of the Company has been designated as the Compliance Officer of the Company.

**The details of Complaints received; resolved/pending during the financial year 2020-21 are given below:**

Brought Forward: NIL Received: NIL Resolved NIL Pending: NIL

**7. RISK MANAGEMENT COMMITTEE**

The company is not required to constitute Risk Management Committee.

**8. GENERAL BODY MEETINGS**

Details of the last three Annual General Meetings held are as follows:

Financial Year	Date Of AGM	Time	Venue	Whether Special Resolution passed
2017-18	27 <sup>th</sup> September 2018	11:30 A.M.	Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab	YES - Re-classification of the promoters of the company - Approval of the Shareholders for borrowing monies under section 180(1)©. - Approval of the Shareholders for Creating Charge(s)/ Hypothecation(s) under Section 180(1)(a) - Approval of the Shareholders to give Loan(s), Guarantee(s)/ provide any Security(ies) in connection with Loan(s), and/or to acquire Securities under Section 186.
2018-19	30 <sup>th</sup> September 2019	9.30 A.M.	Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab	YES - Approval of alteration of Article 150 (the Seal) in Articles of Association of the company
2019-20	29 <sup>th</sup> September 2020	10.00 A.M.	Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab	NO

All the Resolutions, including the special resolution set out in the respective notices were passed by the requisite majority of shareholders.

During the Year 2020-21, no Extra-ordinary General Meeting was held.

**Special Resolutions passed through Postal Ballot during FY 2020-21**

The details of Postal Ballot are as follows:

Date of Postal Ballot Notice: 11.02.2021  
Date of declaration of result: 24.03.2021

Voting Period: 22.02.2021 – 23.03.2021  
Date of approval: 23.03. 2021

Name of the resolution	Type of Resolution	No. of Votes Polled	Votes cast in favor		Votes cast against	
			No. of Votes	%	No. of Votes	%
Alteration of Articles of Association Of The Company	Special	9,674,105	9,674,105	100	0	0
Re-appointment of Ms. Neha as an independent director on the Board	Special	9,675,405	9,675,405	100	0	0

#### Scrutinizer

Mr. Sushil K Sikka of M/s. S.K. Sikka & Associates, Practicing Company Secretaries, Chandigarh, was appointed as the scrutinizer for carrying out the above postal ballot in a fair and transparent manner.

- In the forthcoming Annual General Meeting, the Company does not have any proposal to pass any special resolution through Postal Ballot.  
Procedure for Postal Ballot: N.A.

### **9. MEANS OF COMMUNICATION**

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The approved financial results are forthwith sent to the Stock Exchanges where the Company is listed (BSE & CSE) and are published normally in the Newspapers in accordance with provision of Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Company has published its financial results by way of newspaper advertisement pursuant to SEBI (LODR) Regulation 47 in English Newspaper (Financial Express) and Vernacular (Punjabi) Newspaper (Rozana Spokesman).
- The Company's financial results are also displayed on the Company's Website [www.pritikaautoindustries.com](http://www.pritikaautoindustries.com).
- The Company communicates Official Media Releases and Presentations made to Investors to the Stock Exchange(s) and also uploads the same on its website.

### **10. GENERAL SHAREHOLDERS' INFORMATION**

- **41st Annual General Meeting:**

Day & Date: Wednesday, 29<sup>th</sup> day of September 2021

Time : 10.00 AM

Venue : Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali ,Punjab- 160055

Financial year: 1st April, 2020 to 31st March, 2021

- **Dates of Book Closure:**

The register of members and share transfer books of the company will remain closed from 25<sup>th</sup> September, 2021 to 29<sup>th</sup> September, 2021 (both days inclusive), for the purpose of Annual General Meeting.

- **Dividend Payment Date:**

No dividend was declared for the financial year ended 31.03.2021

- **Listing on Stock Exchanges:**

At present, the equity shares of the Company are listed on the following Stock Exchanges:

BSE Limited

Stock Code :539359

P.J.Towers, Dalal Street

Mumbai -400 001

\*Calcutta Stock Exchange Limited (CSE)

Stock Code: 18096

7, Lyons Range,

Calcutta - 700 001

\*\*National Stock Exchange of India

Exchange Plaza, C-1, Block G

Bandra Kurla Complex, Bandra (E)

Mumbai - 400051

\* Application for delisting of the Company's Shares from CSE has already been submitted which is under process.

\*\*Listed on 10/08/2021

**Listing Fees:**

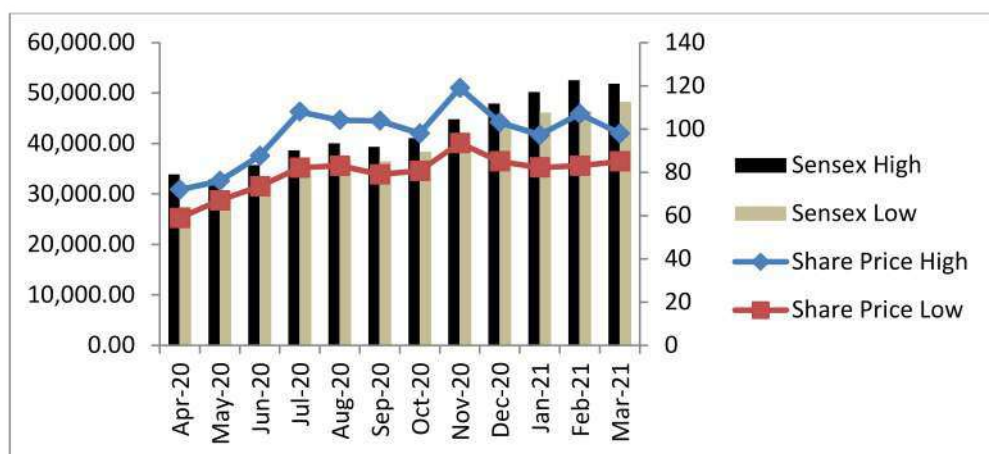
The Annual Listing Fees for the Financial Year 2021-22 have been paid to the Stock Exchanges where the securities of the company are listed.

- Market Price Data:**

Monthly High and Low prices of equity shares of the Company at BSE Limited (BSE) during the period under review in comparison to BSE (Sensex):

Month	Share Price		Sensex	
	High	Low	High	Low
April 2020	72.00	58.90	33,887.25	27,500.79
May 2020	75.95	67.00	32,845.48	29,968.45
June 2020	87.60	73.50	35,706.55	32,348.10
July 2020	108.00	82.10	38,617.03	34,927.20
August 2020	104.10	83.00	40,010.17	36,911.23
September 2020	103.80	79.00	39,359.51	36,495.98
October 2020	98.00	80.65	41,048.05	38,410.20
November 2020	119.00	93.50	44,825.37	39,334.92
December 2020	103.10	85.00	47,896.97	44,118.10
January 2021	97.25	82.20	50,184.01	46,160.46
February 2021	107.00	83.05	52,516.76	46,433.65
March 2021	97.95	85.05	51,821.84	48,236.35

Share Price vis-à-vis BSE Sensex



- Registrar and Share Transfer Agents (RTA):**

M/s. Satellite Corporate Services Pvt. Ltd., the Registrar and Share Transfer Agent of the Company is handling the share related work both in physical and electronic form.

All correspondence relating to share transfer, transmission, dematerialisation, rematerialisation etc. can be made at the following address:

**M/s Satellite Corporate Services Pvt. Ltd.**

Office no.106 & 107,

Dattani Plaza, East West Compound,

Andheri Kurla Road, Safedpul,

Sakinaka- Mumbai-400072.

Ph Nos: 022 28520461/462

Email: [info@satellitecorporate.com](mailto:info@satellitecorporate.com), [service@satellitecorporate.com](mailto:service@satellitecorporate.com),



- **Share Transfer System:**

The Company processes the share transfer and other related shareholders services through Registrar & Share transfer Agent (RTA) on a fortnight basis. SEBI vide Press Release No. 49/2018 dated Dec. 03, 2019 has mandated that transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository w.e.f. April 1, 2019.

- **Distribution of Share Holding as on March 31, 2021:**

Sl. No.	Share holding of nominal value of	Share Holders		Shareholding		
	Rs.	Number	% to Total	Number of shares	Amount (Rs.)	% of share capital
1	UPTO - 5000	1534	77.83	137122	1371220	0.78
2	5001 - 10000	124	6.29	104975	1049750	0.59
3	10001 - 20000	89	4.51	130101	1301010	0.73
4	20001 - 30000	42	2.13	109600	1096000	0.62
5	30001 - 40000	22	1.12	78089	780890	0.44
6	40001 - 50000	38	1.93	176352	1763520	0.99
7	50001 - 100000	50	2.54	386664	3866640	2.18
8	100001 & Above	72	3.65	16611597	166115970	93.67
	<b>TOTAL</b>	<b>1971</b>	<b>100</b>	<b>17734500</b>	<b>177345000</b>	<b>100</b>

- **Dematerialization of Shares and Liquidity:**

The Company has connectivity with NSDL & CDSL for dematerialization of its equity shares. The ISIN No. INE583R01029 has been allotted for the Company. 99.23% of the Company's Paid-up Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2021 and balance 0.77% is in physical form.

Further the Company does not have any Equity shares lying in the Suspense Account.

- **Global Depository Receipts/ American Depository receipts/ Convertible Instruments/ Warrants:**

The Company has not issued any Global Depository Receipts/ American Depository receipts.

The company on 21.01.2019 had issued on preferential basis to non-promoter (public) category, 575000 convertible warrants at ₹ 200/- per warrant (paid-up ₹ 50/-), each warrant convertible into one equity share of ₹ 10/- each to be issued at a price of ₹ 200/- per share i.e. at a premium of ₹ 190/- per share. The last date to exercise entitlement for conversion of warrant and to apply for allotment of equity shares was 20/7/2020. The Allottees failed to apply for allotment of equity shares on conversion and to make the payment of balance amount of Rs. 150/- towards the subscription of each equity share within prescribed period of 18 months. Hence, the entitlement of warrant holders to apply for equity shares of the company along with the rights attached thereto expired and the amount paid on such warrants stands forfeited, pursuant to the provisions of SEBI (ICDR) Regulations, 2018.

- The company has not issued any debt instruments/fixed deposits during the year, hence no credit ratings were obtained for that purpose.

- **Plant Locations:**

**Unit I**

Village Saidomajra  
Post Office Mubarakpur,  
Near Focal Point, Derabassi  
Distt. S.A.S. Nagar, Punjab

**Unit II**

Village -Batheri, Teh. Haroli  
Tahliwala- Garhshankar Road  
Distt. Una, Himachal Pradesh

- **Address for Correspondence:**

**Registered Office:** Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab – 160055

#### 11. **OTHER DISCLOSURES:**

- No transaction of a material nature with the related parties which may have a potential conflict with the interest of the Company at large has been entered into by the Company. The Register of Contracts containing details of contracts, in which directors are interested, is placed before the Board of Directors regularly. The transactions with the related parties are disclosed in the Financial Statements.
- There were no instances of non-compliance by the Company on any matters related to the Capital market and no penalties/strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last three financial years.
- The Company has a Whistle Blower Policy and has put in place a mechanism to monitor the actions taken on complaints received under the said policy. This Policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrong-doing in the Company. No personnel has been denied access to the Audit Committee. During the year no person has approached under the said policy.
- During the year the Company has not adopted any discretionary requirements as specified in Part E of Schedule II of Listing Regulations.
- The company has complied with corporate governance requirement specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Web link of the policy for determining 'material subsidiaries is <http://www.pritikaautoindustries.com/investors.html>.
- The web link of the policy on dealing with related party transactions is <http://www.pritikaautoindustries.com/investors.html>.
- There are no commodity price risks and hedging activities in the Company. However, the company keeps close watch on the price risk of input materials.
- There are no funds raised by the company through preferential allotment or qualified institutions placement, of which utilization is pending.
- M/s. Sushil Kumar Sikka & Co., Practicing Company Secretary, has issued a certificate as required under the Listing Regulations that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies, by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- There was no instance where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.
- Audit Fees Paid during the FY 2020-21

Company	Audit Firm	Audit Fee (Rs. in lac)
Pritika Auto Industries Ltd.	M/s. Sunil Kumar Gupta & Co.	13.64
Pritika Engineering Components Pvt. Ltd., Wholly Owned Subsidiary	M/s. Chetal Vikesh & Associates	1.30

- Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company strongly believes in providing a safe and harassment-free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavor of the Management of the Company to provide an environment to all its employees that is free from

discrimination and harassment, including sexual harassment. The company has constituted Internal Complaints Committee in compliance with the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year ended 31<sup>st</sup> March, 2021, no complaint pertaining to sexual harassment was received by the Company.

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending for more than 90 days	Nil
Number of cases pending at the end of the financial year	Nil
Nature of action taken by the employer or District Officer	NA

- There are no shares in demat suspense account or unclaimed suspense account.

**12. COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE REPORT:**

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**13. DISCRETIONARY REQUIREMENTS:**

During the year the Company has not adopted any discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE:**

The company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

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

**Date: 14/08/2021**  
**Place: Mohali**

**Sd/-**  
**Raminder Singh Nibber**  
**Chairman**

**CEO DECLARATION FOR COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT:**

In compliance with the requirements of regulation 17(5) of the SEBI (LODR) Regulations, the company has laid Code of Conduct which, inter alia, incorporates the duties of all members of Board of Directors and Senior Management and Independent Directors as laid down in the Companies Act, 2013. All the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management, as applicable to them for the year ended March 31, 2021.

**Date: 14/08/2021**  
**Place: Mohali**

**Sd/-**  
**Harpreet Singh Nibber**  
**Managing Director & CEO**

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of  
Pritika Auto Industries Limited**

I have examined the compliance of the conditions of Corporate Governance by Pritika Auto Industries Limited for the year ended 31st March, 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations (including any statutory modification(s) or enactment thereof for the time being in force).

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

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

**For S.K.SIKKA & ASSOCIATES  
Company Secretaries**

**Place: Chandigarh  
Date: 30.07.2021**

**Sd/-  
Sushil K. Sikka  
Company Secretary  
FCS 4241  
CP 3582  
UDIN:F004241C000714830**



## **ANNEXURE C**

### **Form AOC – 1**

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

Statement containing salient features of the financial statements of subsidiaries/associates companies/joint ventures.

#### **Part 'A' - Subsidiaries**

<b>Amount (Rs. in lacs)</b>	
<b>Name of the Subsidiary Company</b>	<b>Pritika Engineering Components Pvt. Ltd.</b>
<b>Year</b>	<b>2020-21</b>
Share Capital	763.45
Reserves and Surplus	495.93
Total Assets	5594.26
Total Liabilities	5594.26
Details of Current and Non Current Investments	265.33
Net Turnover	3244.35
Profit/(Loss) before taxation	58.23
Provision For taxation	22.82
Profit/(Loss) after taxation	35.41
Proposed Dividend	--
% of Share-holding	100%

Name of Subsidiaries which are yet to commence operations	None
Name of Subsidiaries which have been liquidated or Sold during the year	NA

For and on behalf of the Board of Directors

Sd/-  
Raminder Singh Nibber  
(Chairman)  
DIN 00239117

Sd/-  
Harpreet Singh Nibber  
(Managing Director)  
DIN 00239042

Sd/-  
Narinder Kumar Tyagi  
C.F.O.

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M. No. F2232

Date: 14/8/2021  
Place: Mohali

## ANNEXURE D

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### **A) Conservation of energy:**

##### **(i) The steps taken or impact on conservation of energy;**

The Company is engaged in the castings and machining sector and is substantial energy consumer. The Company is taking all possible measures to conserve energy.

The Company is regularly conducted Energy Audit through CII. The various recommendations suggested by CII like Compressed Air saving Improvement in Power Factor are under process.

Also the Company has initiated process of ISO 50001 (Energy Management System) Certification for continual improvement in the field of Energy Conservation.

##### **Unit-1 (Derabassi-Punjab)**

a) The Company is taking all possible measures to conserve energy. The company has upgraded Automatic Power Factor Controller to improve the Power Factor & monitoring Power Factor on Regular Basis for better Energy Management System. The company has initiated steps to convert Sand Dryer & Core Oven from Diesel to LPG which is cleaner & cheaper fuel. Regular Interactions with Employees are being done to make them aware for Power Saving Opportunities & regular Suggestions are invited in this Area

b) The company is using LED lights/lamps in place of filaments bulbs/tubes to save energy.

c) The company has installed Runner Riser Cleaning machine which will consume low energy.

##### **Unit 2 (Bathri-Himachal Pradesh)**

The company has upgraded Automatic Power Factor Controller to improve the Power Factor. The company is continuously upgrading to CNC Machines from conventional machines which is better, efficient and more productive. The company has added 8 Nos. of machines namely HMC, CNC and VMC.

To save heat energy, the liquid metal transfer ladle are covered with blankets. The company is using LED lights/lamps in place of filament bulbs/tubes and sodium/mercury lights.

The company has removed bottlenecks to improve the smooth operation of plant.

##### **(ii) The steps taken by the Company for utilising alternate sources of energy;**

The conventional Electric core ovens have been replaced with continuous oven operated through LPG/LNG, which has reduced energy consumption and improved efficiency of the equipments.

The company has installed Induction Furnace instead of Cupola, shifting from coal consumption to electric in Unit-1.

The company is drying up sand with natural sun heat in summer and manual grinding machine operations converted to chipping with diesel hammers resulting in less energy consumption in Unit-2.

##### **iii) The capital investment on energy conservation equipments;**

Although the company has acquired misc. energy equipments as and when required during the year. The investment made was not major and cannot be quantified.

#### **(B) Technology absorption:**

##### **(i) The efforts made towards technology absorption;**

The management keeps itself abreast of the adaptation and innovation technological advancements in the industry and ensures continued and sustained efforts towards absorption as well as development of the same to meet business needs and objectives. The company is going extensively on machine made core from conventional hand made.

##### **(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;**

The technological absorption has resulted in improvement, cost reduction, product development, improvement in services, import substitution, etc. However, the benefits derived from the technological advancements are not quantifiable.

The yield improved and weight reduction is on going to save energy to melt the metal which cannot be quantified.

In Unit-1, the company has started making briquetting of CI Boring resulting into Dense scrap to save energy and

avoid wastage in shape of slag. The rejected core/sand mix being recycled by crushing to save new sand which is taken from mines.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

The company has not absorbed any imported technology.

- |  |                |
|--|----------------|
| (a) the details of technology imported;  | Not applicable |
| (b) the year of import   | Not applicable |
| (c) whether the technology been fully absorbed;  | Not applicable |
| (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : | Not applicable |

**(iv) The expenditure incurred on Research and Development.**

The Company has not carried out any specific research and development activities during the year. As such expenditures on Research & Development cannot be quantified. The Management team visited different countries to absorb the latest technologies to upgrade technology which are under consideration and hence cannot be quantified at this stage.

**C. Foreign Exchange Earnings and Outgo**

The total inflow in Foreign Exchange was equivalent to Rs. 496.19 lac and the total expenses in Foreign Exchange was equivalent to Rs. 21.36 lac.

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

**Date: 14/08/2021**  
**Place: Mohali**

**Sd/-**  
**Raminder Singh Nibber**  
**Chairman**

**ANNEXURE E**  
**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 transactions entered into ordinary course of business and at an arms length basis under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: NONE**

- (a) Name(s) of the related party and nature of relationship  
(b) Nature of contracts/arrangements/transactions  
(c) Duration of the contracts / arrangements/transactions  
(d) Salient terms of the contracts or arrangements or transactions including the value, if any  
(e) Justification for entering into such contracts or arrangements or transactions  
(f) date(s) of approval by the Board  
(g) Amount paid as advances, if any:  
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

- a) Related party and nature of the related party relationship with whom transactions have taken place during the year:

**A) Directors & Key Management Personnel**

Mr. Harpreet Singh Nibber	Managing Director
Mr. Raminder Singh Nibber	Whole Time Director
Mr. Ajay Kumar	Whole Time Director
Mr. Yudhisthir Lal Madan	Independent Director
Mr. Subramaniyam Bala	Independent Director (appointed w.e.f. 29/8/2020)
Mrs. Neha	Independent Director
Mr. Neeraj Bajaj	Independent Director (ceased w.e.f. 4/1/2021)
Mr. Narinder Kumar Tyagi	Chief Financial Officer
Mr. Chander Bhan Gupta	Company Secretary

**B) Subsidiary Companies**

Pritika Engineering Components Private Limited (PECPL)

**C) Enterprises owned or significantly influenced by Key Management Personnel or their Relatives**

Pritika Industries Limited (PIL)

- b) Nature of contracts/arrangements/transactions:

(In Lacs)

Nature of Transactions During the year	Related Parties					
	Referred in A Above		Referred in B Above		Referred in C Above	
Income	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sales net of tax	-	-	57.98	88.77	9152.44	6444.18
Interest Received	-	-	-	30.71	-	-
<b>Expenditure</b>						
Purchases	-	-	267.97	194.21	2272.89	1475.61
Director Remunerations	210.36	205.86		-		-
Director Sitting Fees to Independent Directors	14.75	10.50		-		-
Salary to KMP's	34.61	37.65		-		-
Investment made	-	-	685.00	-		-
Balance as at 31 <sup>st</sup> March, 2021	-	-	509.97	457.47	4563.27	3627.67
Debit/(Credit)						
Corporate Guarantee Given	-	-	2359.00	1586.00	-	-
Balance as on 31 <sup>st</sup> March, 2021						



<b>Loan &amp; Advances</b>	-					
Loan taken during the year	-	-		-	-	-
Repayment of Loan during the year	-	-		-	-	-
Loan given during the year	-	-	176.00	127.64	-	-
Conversion of loan into equity	-	-	685.00	-	-	-
Repayment of Loan during the year	-	-	1.14	-	-	-
Loan balance as at 31 <sup>st</sup> March 2021	(14.16)	(14.16)	-	510.14	-	-
Debit/(Credit)						

**c) Duration of the contracts / arrangements/transactions**

- i) PECPL - Contract/Arrangement for two years w.e.f. 01.04.2020
- ii) PIL - Contract/Arrangement for two years w.e.f. 01.04.2020

**d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- i) PECPL: Sale of consumables, scrap etc. (net of tax) to PECPL for Rs. 57.98 lac during the F.Y. 2021-22.  
Purchase of castings, cold box etc. (net of tax) from PECPL for Rs.267.97 lacs during the F.Y. 2021-22.
- ii) PIL: Sale of castings to PIL for Rs. 9152.44 lac during the F.Y. 2020-21.  
Purchase of component casting, scarp, pattern and job work from PIL for Rs. 2272.89 lac during the F.Y. 2020-21.

**e) Date(s) of approval by the Board, if any:** Prior approval by Board of Directors in its meeting held on 12/2/2020. The shareholders approved Related Party Agreement/Transactions by way of Postal Ballot on 26/3/2020.

**f) Amount paid as advances, if any:** Nil

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

**Date:** 14/8/2021  
**Place:** Mohali

**Sd/-**  
**Raminder Singh Nibber**  
**Chairman**

**CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF THE LISTING REGULATIONS:**

The Board of Directors  
Pritika Auto Industries Limited  
Plot No. C-94, Phase-VII Industrial Focal Point,  
S.A.S. Nagar Mohali Punjab - 160055

Dear Sir(s),

We Harpreet Singh Nibber, Managing Director and Narinder Kumar Tyagi, CFO certify that

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our 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.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee, the following:
  - i. significant changes in internal control over financial reporting during the year, if any;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Pritika Auto Industries Limited**

**Sd/-**  
**Harpreet Singh Nibber**  
**Managing Director**  
**DIN: [00239042](#)**

**Sd/-**  
**Narinder Kumar Tyagi**  
**Chief Financial Officer**

**Date: 16/6/2021**

**Place: Mohali**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To  
The Members,  
**Pritika Auto Industries Limited**  
Plot No. C-94, Phase-VII Industrial Focal Point,  
S.A.S. Nagar Mohali, Punjab

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pritika Auto Industries Limited ("Company") having CIN: L45208PB1980PLC046738 and having its registered office at Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar Mohali, Punjab, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority

Sr. No.	Name of Director	DIN
1.	Mr. Harpreet Singh Nibber	00239042
2.	Mr. Raminder Singh Nibber	00239117
3.	Mr. Subramaniam Bala	00461697
4.	Mr. Ajay Kumar	02929113
5.	Mr. Yudhisthir Lal Madan	05123237
6.	Ms. Neha	08109734

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2021.

For **S. K. SIKKA & ASSOCIATES**

Company Secretaries

Sd/-

Place: Chandigarh  
Date: 30.07.2021

(Sushil K. Sikka)  
Prop.  
FCS 4241  
CP 3582  
UDIN NO: F004241C000714742

**ANNEXURE F**  
**SECRETARIAL AUDIT REPORT**  
**FORM NO. MR-3**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

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

To  
The Members,

**PRITIKA AUTO INDUSTRIES LIMITED**

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

Based on my verification of Pritika Auto Industries Limited'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 31<sup>st</sup> March, 2021, 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, which were shared with me, for the financial year ended on 31 March, 2021 according to the provisions of the following Acts/Laws/Regulations and the amendments thereof, if any:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- (4) 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;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018-  
**Not applicable as there was no reportable event during the financial year under review;**
  - (d) 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- **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent 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 there was no reportable event during the financial year under review;**



(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable as there was no reportable event during the financial year under review;**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable as there was no reportable event during the financial year under review;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review; and**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(6) The Company has complied with the following laws applicable specifically to the Company:

(a) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986.

(b) Factories Act, 1948 and allied State Laws.

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

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

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I, further report that**

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. 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.

(ii) Adequate notice was given to all Directors to schedule 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 agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the Decisions at the Board Meetings were taken unanimously.

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

**I, further report that** during the audit period, the company got approval of its members by conducting Postal Ballot and e-voting for the following:

i). Sub-division of equity shares from the face value of Rs 10/- per share to Rs. 2/- per share by passing the Ordinary Resolution.

ii). Alteration of the Capital Clause in the Memorandum of Association of the company by passing the Ordinary Resolution.

iii). Alteration of Articles of Association of the Company by passing the Special Resolution

iv). Re-appointment of Ms. Neha as an Independent Director on the Board by passing the Special Resolution.

**I, further report that** during the audit period, there were no instances of:

(i) Public / Rights / Preferential Issue of Shares /Sweat Equity.

(ii) Redemption / Buy-Back of Securities.

(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv) Merger / Amalgamation / Reconstruction etc.

(v) Foreign Technical Collaborations.

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

Place: Chandigarh

Date: 30.07.2021

**For S. K. SIKKA & ASSOCIATES**

Company Secretaries

Sd/-

(Sushil K. Sikka)

Company Secretary

FCS 4241, CP 3582

**UDIN: F004241C000714819**

To,  
The Members

**Pritika Auto Industries Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express as opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My 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.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**For S. K. SIKKA & ASSOCIATES**

Company Secretaries

Sd/-

(Sushil K. Sikka)

Company Secretary

FCS 4241, CP 3582

UDIN: F004241C000714819

Place: Chandigarh

Date:30/07/2021

## **ANNEXURE G**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Forward looking statement**

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared as per the IND AS guidelines and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2015. The management of Pritika Auto Industries Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to “we”, “us”, “our”, “the Company”, “Pritika” are to Pritika Auto Industries Ltd.

#### **ECONOMIC OVERVIEW**

##### **Indian Auto-Components Industry**

The auto components industry in India has seen steady growth over the past several years. Except intermittent slowdowns such as that in 2019, the industry has grown at a CAGR of 6% during FY2016 to FY2020, reaching \$49.3 billion in FY20. Some of the factors driving investments in this sector include a large domestic market (rise in working population), a stable and supportive government framework and rising development in infrastructure. This sector alone accounts for around 2.3% of the country's GDP, driven by the automotive industry which is India's fourth largest industry.

The Indian auto-components industry can be broadly classified into the organized and unorganized sectors. The organized sector caters to the Original Equipment Manufacturers (OEMs) and comprises high-value precision instruments while the unorganized sector consists of low-valued products and caters mostly to the aftermarket category.

Financing difficulties across the supply chain, among other factors, led to a significant slowdown in the Indian automotive sector during the previous year. The scenario was worsened by the outbreak of the COVID-19 pandemic. The pandemic disrupted operations across the supply chain and hampered production and distribution of non-essential products. As per an industry report, weak demand across domestic OEM and replacement markets in the wake of COVID-19 led to a 14-18 contraction in the automotive sector in the last fiscal. ICRA quotes that domestic automotive production declined 14.7% in FY2020 and is expected to see double-digit decline in FY21.

However, this slowdown is partially offset by rise in exports. As per the Automobile Component Manufacturers Association (ACMA), exports in the auto components sector have grown at a CAGR of 7.6% during 2014-19, to USD 14.5 billion, and are further projected to reach \$80 billion by 2026. India exports auto components to several parts of the world, the major markets being developed countries such as the US, Germany and the UK. Some of the important Asian markets for auto components include Sri Lanka, Bangladesh and Thailand.

ACMA forecasts the Indian auto components industry to touch \$200 billion by 2026, backed by strong exports. This augurs well for the industry which has been under pressure since the last year.

Source: IBEF, <https://auto.economictimes.indiatimes.com/news/auto-components/auto-component-sector-may-see-14-18-dip-in-revenue-in-fy21-icra/76890538>



[https://www.ibef.org/industry/autocomponents-india.aspx#:~:text=Indian%20Auto%20Components%20Industry%20Report,KB%20\)%20\(January%2C%202021\)&text=The%20Indian%20auto%2Dcomponents%20industry,US%24%2049.3%20billion%20in%20FY20.](https://www.ibef.org/industry/autocomponents-india.aspx#:~:text=Indian%20Auto%20Components%20Industry%20Report,KB%20)%20(January%2C%202021)&text=The%20Indian%20auto%2Dcomponents%20industry,US%24%2049.3%20billion%20in%20FY20.)  
<https://www.ibef.org/industry/autocomponents-india.aspx>  
<https://www.ibef.org/industry/auto-components-presentation>

### **Indian Agriculture Industry – an overview**

Agriculture plays a pivotal role in India's economy. It is the primary source of livelihood for about 58% of the country's population. Agriculture, fisheries and forestry, are key contributors to the country's Gross Domestic Product (GDP). The Gross Value Added (GVA) by agriculture, forestry and fishing was estimated to be Rs. 19.48 lakh crore (\$276.37 billion) in FY2020. Growth in GVA in agriculture and allied sectors stood at 4% in FY20, and is estimated to be 3% in the second quarter of 2021.

The Indian food industry is one of the largest, and is poised for huge growth, supported by domestic as well as export demand. During 2019-20 crop year, food grain production is estimated to have reached 295.67 million tons. In 2020-21, the Government is targeting food grain production of 298 million tons. Horticulture, livestock, milk and sugar production is also on the rise. This growth is being driven by strong domestic demand (owing to rising population) as well as global exports. India is among the 15 leading exporters of agricultural products globally. Spices, tea and coffee exports from India have also been on the rise over the last decade.

Consequently, investments into this sector have grown significantly. Cumulative FDI inflow into the Indian food processing sector was about \$10.2 billion between April 2000 and September 2020. For instance, Nestle recently announced plans to invest Rs. 700 crore to construct its ninth factory in Gujarat. In March 2020, F&S, the oldest large-scale fertilizer manufacturer in the country, crossed one million production and sales mark. Moreover, investments worth Rs. 8,500 crore (\$1.19 billion) have been announced in India for ethanol production.

The agriculture sector also receives significant support from the Government of India, some of the recent initiatives include:

- In November 2020, the government inaugurated a mega food park in Punjab worth Rs. 107.83 crore (\$14.6 million) that will be spread across over 55 acres of land
- In October 2020, Agri-lender NABARD (National Bank for Agriculture and Rural Development) proposed plans to set up a subsidiary to provide guarantee for loans under agriculture and rural development
- In October 2020, the government announced that it is putting up a common data infrastructure for farmers in the country. PMFBY (Pradhan Mantri Fasal Bima Yojana), PM-Kisan and the Soil Health Card will be integrated through a common database, along with land record details
- In September 2020, the government launched the PM Matsya Sampada Yojana, e-Gopala App and several initiatives in fisheries production, dairy, animal husbandry and agriculture. Under this scheme, an investment of Rs. 20,000 crore (US\$ 2.7 billion) will be made in the next 4-5 years in 21 states.
- In May 2020, Government announced the launch of animal husbandry infrastructure development fund of Rs. 15,000 crore (\$2.13 billion)
- The Government came out with Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports
- Under Union Budget 2020-21, Rs 2.83 lakh crore (\$40.06 billion) was allocated for the Ministry of Agriculture. Ministry of Food Processing was allocated Rs 1,233 crore (\$176.42 million).
- The Government launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs. 50,000 crore (\$7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.

Source: IBEF, <https://www.ibef.org/industry/agriculture-india.aspx>  
<https://www.ibef.org/industry/agriculture-presentation>

### **Indian Tractor Industry**

The tractor industry, a part of the farm equipment market, has been growing significantly in India. Demand for tractors has risen in tandem with increasing mechanization in farming across India. As per industry estimates, the tractor market in India registers annual sales of 600,000 – 700,000 units on an average. Tractors find application not only in agriculture, but also in rural haulage, partially reducing the seasonal nature of demand.

Tractor sales grew 30% in February 2021 to 84,690 units, compared to 64,937 units in the same month last year. Tractor demand continues to be robust with rabi sowing at an all-time high, supported by healthy reservoir levels and higher liquidity with farmers among others, as per industry representatives. Unit sales are expected to reach one million by mid of the next decade, growing at a CAGR of ~6%. However, despite general productivity improvement in the agricultural sector, the overall industry may witness single digit growth in the near term.

Various tractor OEMs are optimistic based on strong domestic demand as well as export growth. Mahindra & Mahindra's domestic tractor sales in February 2021 rose 24% year-on-year, while export grew 43%. Escorts reported over 30% rise in tractor sales in February 2021. Total domestic tractor sales in that month grew 32.8% year-on-year to 10,690 units.

Overall, the industry is forecast to grow at a CAGR of 8-10% during 2017-22. A sustained focus by the government on the promotion of farmer welfare and rural development along with mechanization in agriculture would support this growth trajectory. Moreover, the budget's emphasis on doubling farmers' income by 2022, loan waivers and finance availability, as well as rising use of tractors in construction and other fields, would bode well for the production and sale of tractors going forward.

Source: [https://www.business-standard.com/article/companies/tractor-sales-rise-by-around-30-in-february-2021-to-84-690-units-121031100351\\_1.html](https://www.business-standard.com/article/companies/tractor-sales-rise-by-around-30-in-february-2021-to-84-690-units-121031100351_1.html)  
<http://www.tmaindia.in/consolidated-monthly-reports-2020.php>  
<https://www.globenewswire.com/news-release/2019/05/06/1817241/0/en/Indian-Agricultural-Tractor-Market-Report-2019-2023-with-a-Focus-on-Key-Industry-Players.html>  
<https://auto.economictimes.indiatimes.com/news/commercial-vehicle/indian-tractor-market-to-grow-8-10-in-fy19/64483327>

### Government Initiatives

The Indian Automobile industry is expected to reach a turnover of approximately \$300 billion by 2026, growing at a CAGR of 15% from its current revenue of around \$74 billion.

In November 2020, the Union Cabinet approved PLI scheme in automobile and auto components with an approved financial outlay over a five-year period of Rs. 57,042 crore (\$8.1 billion).

The Government has drafted the Automotive Mission Plan (AMP) 2016-26 which will help the automobile industry to grow and will benefit Indian economy in various ways:

- Contribution of auto industry in the country's GDP will rise to over 12%
- More than 65 million jobs will be created
- End of Life Policy would be implemented for old vehicles

Crisil, IBEF: [https://www.ibef.org/industry/autocomponents-india.aspx#:~:text=Indian%20Auto%20Components%20Industry%20Report,KB%20\)%20\(January%2C%202021\)&text=The%20Indian%20auto%2Dcomponents%20industry,US%24%2049.3%20billion%20in%20FY20.https://www.ibef.org/industry/autocomponents-india.aspx](https://www.ibef.org/industry/autocomponents-india.aspx#:~:text=Indian%20Auto%20Components%20Industry%20Report,KB%20)%20(January%2C%202021)&text=The%20Indian%20auto%2Dcomponents%20industry,US%24%2049.3%20billion%20in%20FY20.https://www.ibef.org/industry/autocomponents-india.aspx)

### About Pritika Auto Industries Ltd.

Pritika Auto Industries Ltd. is a flagship company of the Pritika Group of Industries which was set up in 1974 by Mr. Raminder S. Nibber, manufacturing small forgings. Over the last four decades and under Mr. Nibber's visionary leadership, the Company has established itself as a robust and reliable brand in its market, specializing in machined castings and automotive components. A quality driven organization, Pritika produces world class components from modern facilities. Pritika has manufacturing facilities situated at Derabassi and Hoshiarpur (Punjab), and Tahlial (Himachal Pradesh) with a total capacity exceeding 50,000 metric tons per annum (MTPA).

Catering primarily to tractors and commercial vehicles, Pritika focuses on expanding and diversifying its product portfolio. The Company manufactures a wide range of products such as axle housings, wheel housings, hydraulic lift housings, end cover, plate differential carrier, brake housings, cylinder blocks, and crank cases, among others. Pritika is one of the biggest component suppliers in the tractor segment of the automobile industry in India and supplies to OEMs like M&M Swaraj, Swaraj Engines Ltd, TAFE, Escorts, SML Isuzu, TMTL, Ashok Leyland, New Holland Tractors India Ltd., Brakes India etc., as well as exports casted products outside India. The Company's vision is to provide products which meet customer's quality requirement constantly at competitive prices.

### CONSOLIDATED FINANCIAL OVERVIEW

The consolidated performance of the Company for the financial year ended March 31, 2021, is as follows:

Total revenue from operations at Rs. 225.7 crore for the year ended March 31, 2021, as against Rs. 168.0 crore (net of excise) for the corresponding previous period, an increase of 34.4%, mainly on account of increased demand leading to higher sales volumes and products' price increase.

The EBITDA (earnings before interest, depreciation and tax, excluding other income) was Rs. 23.8 crore for the year ended March 31, 2021, as against Rs. 21.0 crore for the corresponding previous period, an increase of 13.3%.

The PAT (profit after tax) was Rs. 5.9 crore for the year ended March 31, 2021, as against Rs. 5.6 crore for the corresponding previous period, a rise of 5.2%.

EPS was at Rs. 3.31, YoY growth of 5.1% (3.15 in FY20).

## **RESOURCES AND LIQUIDITY**

As on March 31, 2021, the consolidated net worth stood at Rs. 127.7 crore and the consolidated debt was at Rs. 76.3 crore.

The net debt to equity ratio of the Company stood at 0.57 as on March 31, 2021.

## **BUSINESS PERFORMANCE**

Pritika registered a growth of 34.4% in revenue clocking a turnover of Rs. 225.7 cr in FY21. The Company produced 31,206 tons of machined casting during the year. About 92-93% of the revenue was contributed by the tractor components segment while the rest was from the commercial vehicle segment. With capacity in place, Pritika is focusing on higher production and better utilization for financial year 2021-22, based on a good order book. The Company is also adding high-value products and trying to improve operational efficiencies, while expanding export revenues.

The Company is dealing in single segment i.e. manufacturing of Auto Components/parts.

## **ACHIEVEMENTS IN BUSINESSES DURING THE YEAR:**

- Pritika added a new prestigious customer to its clientele, a leading OEM of tractors in India
- The Company achieved its highest ever monthly sales volume in January 2021 at 3177 tons
- Pritika won its first export order for casted products from a US-based multi-national conglomerate. Upon completion of the first order, the Company received a repeat order of higher value from the same client, totaling USD 2 million.
- Pritika won an additional order worth Rs. 10 cr per annum from an existing large client, to supply axle housings

## **KEY FINANCIAL RATIOS:**

There was no significant change i.e. 25% or more in Debtor Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio and Current Ratio. EBITDA margin and PAT Margin declined 195 bps and 72 bps, respectively, as compared to immediately previous year ended 31<sup>st</sup> March 2020.

Return on Equity has increased from 5.14% in FY2020 to 5.75% in FY2021 due to higher rate of growth in profit after tax.

## **RISKS AND CONCERNS**

Like every business, the company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy drawn up and dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization. The risk registers are also reviewed from time to time.

The Company faces the following Risks and Concerns:

### **Economy and Market Risk**

The Company's growth is linked to that of the agricultural and automotive industry, which is cyclical in nature. The cyclical nature of the Indian commercial vehicle industry and tractor industry impacts the demand for related components. Since the automotive industry plays a major role in determining the economic growth, any slowdown in the overall economy would affect the commercial vehicle industry.

### **Credit Risk**

To manage its credit exposure, Pritika has determined a credit policy with credit limit requests and approval procedures.

Company does its own research of client's financial health and project prospects before bidding for a project. Timely and rigorous process is followed up with clients for payments as per schedule. The company has suitably streamlined the process to develop a focused and aggressive receivables management system to ensure timely collections.

### **Interest Rate Risk**

The Company has judiciously managed the debt-equity ratio. It has been using a mix of loans and internal cash accruals. The Company has well managed the working capital to optimize the overall interest cost.

### **Contractual Risk**

Pritika follows a meticulous process to evaluate the legal risks involved in a contract and ascertain its legal responsibilities under the applicable law of the contract. All the worst possible scenarios are considered and as a strategic priority with consultation from advisors, stringent terms are inserted to restrict liabilities to the maximum extent possible.

### **Competition Risk**

Like in most other industries, growth opportunities lead to a rise in competition. We face different levels of competition, from domestic as well as multinational companies. Pritika has created strong differentiators in project execution, quality and delivery which make it resilient to competition. Furthermore, the Company continues to invest in technology and its people to maintain a competitive edge. A stable and long-standing client base comprising large and mid-sized companies further helps maintain a strong order book and insulate the Company from this risk. We also mitigate this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Thus, we do not expect to be significantly affected by this risk.

### **Input Cost Risk**

Our profitability and cost effectiveness may be affected due to change in the prices of raw materials, power and other input costs. Some of these risks that are potentially significant in nature and need careful monitoring are raw material prices, and availability of power, among others.

### **Liability Risk**

This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

## **OPPORTUNITIES**

- **Increasing mechanization in agriculture:** With the agriculture sector witnessing significant technology enhancements, the demand for higher efficiency tractors and farm equipment is likely to increase in India as well as globally. Adoption of such equipment over traditional farming methodologies in rural parts of the country would benefit ancillary companies catering to this sector, such as Pritika.
- **Support from Government Policies:**
  - Government's aim to double farmer's income by 2022 would boost demand for tractors.
  - 100% FDI allowed under automatic route for auto component sector
  - Establishment of special auto parks & virtual SEZs for auto components.
  - Lower excise duty on specific parts of hybrid vehicles.
  - Policies such as Automotive Mission Plan 2016-26, Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME), NMEM 2020, likely to infuse growth in the auto component sector of the country.
  - Allocation of increased financial support for the agriculture industry in the Union Budget
- **Investments:**
  - Increasing FDI in the auto sector
  - With the launch of 'Make in India' initiative, the government is expected to mobilize substantial investments in the auto component sector.
  - The auto components sector is expected to witness higher investments for upgradation of products and keeping up with



new industry regulations.

- **Export Advantage:** India is a leading auto exporter and has strong near-term export growth expectations. As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to increase to \$70 billion by 2026.
  - The last year's Union Budget increased duties of customs on imports of Auto Parts, which is expected to boost domestic manufacturing.
  - Reduction of corporate tax for companies was announced in the Union Budget 2020.

Source: IBEF, <https://www.ibef.org/industry/autocomponents-india.aspx>

## THREATS

- Competition from domestic and multinational players
- Regulatory changes impacting the automotive and agricultural sectors
- Unfavourable volatility in labour and raw material costs
- Attraction and retention of skilled human capital
- Risk from unforeseen impediments in execution
- Market-wide slowdown in the agriculture sector
- Potential lockdowns due to COVID-19, impacting operations and demand in various regions

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

For the purposes of effective internal financial control, Pritika has adopted various policies and procedures to ensure orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

There has not been any significant change in such control systems. The control systems are reviewed by the management regularly. The same are also reviewed by the Statutory Auditors and Internal Auditors from time to time. Additionally, the Company has adopted various policies and procedures to safeguard its interest. These policies and procedures are reviewed from time to time. A proper reporting mechanism has been implemented in the organization for reporting any deviation from the policies and procedures. Compliance audit is conducted from time to time by external agencies on various areas of operations.

## HUMAN RESOURCES

Pritika has Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The human relations team continually conducts training programs for talent development. The Company aims to develop the potential of every individual associated with it as a part of its business goal. Pritika leverages a mix of experienced as well as young talent to drive growth.

The company values its human resources as the principal drivers of change. The Company focuses on providing individual development and growth in a work culture that encourages team work and high performance.

As on March 31, 2021, the Company had a workforce of 1625 (permanent and contractual).

## OUTLOOK

The tractors (and corresponding ancillary sub-sectors) industry is recovering from the slowdown induced by the COVID-19 pandemic. While the immediate-term scenario remains uncertain due to the second wave of the pandemic and its potential impacts in various regions, overall the market is showing signs of recovery. This is based on a good monsoon, leading to robust agri-sector growth, coupled with favorable government policies.

The automotive sector has been substantially hit by the COVID-19 pandemic, with various industry experts reducing their

growth forecasts for the short-term. However, long-term outlook remains buoyant with several major global players having a base in India for engineering, manufacturing and global sourcing. New product launches by OEMs, driven by technological advancements and rising demand, is likely to bode well for overall industry growth. New emission norms and increase in the Electrical Vehicles (EV) market are also likely to boost new manufacturing, thereby spurring demand for components. India now supplies a range of high-value and critical automotive components to the global auto market.

Pritika is poised to capitalize on new opportunities as they arise in the domestic and international markets. The Company's access to the US market would reduce its dependency on the domestic market, and help improve performance. Pritika's long-standing relationships with its clients demonstrates the continued faith the OEMs have in the Company's expertise and capability to deliver.

The Company continues to strive to improve utilization of its existing capacity and remains open to expand total installed capacity, based on the needs of the market. With higher capacity utilization, margins are expected to improve, supported by export opportunities, high-margin product mix and better operating efficiencies.

### **Road Ahead**

The transport industry is making a gradual shift towards electric and hybrid cars, which are deemed more efficient and environment-friendly modes of transportation. Over the next decade, this is likely to give rise to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to this change with R&D and product innovation. Infact the previous year witnessed the launch of first of its kind electric tractors from some key OEMs in India.

The Indian auto-components industry is expected to become the third largest in the world by 2025. Consequently, strong export opportunities in the coming years would open up more avenues for such companies. Pritika's export portfolio comprises products used in material handling applications, thereby diversifying our catering beyond the tractor market. Overall, we are cautiously optimistic about the domestic as well as export demand in the coming year, and are prepared for new opportunities.

## **ANNEXURE H**

### **ANNUAL REPORT ON CSR ACTIVITIES for the financial year 2020-21**

**[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

#### **1. CSR Policy- Brief Outline and Overview**

The policy has laid down guidelines for the company to make a positive contribution to the society, mainly through promotion of education and healthcare. The policy is available on the website of the company at <https://www.pritikaautoindustries.com/csr-policy-may19.pdf>. The CSR Committee ensured that the activities were carried out as per the CSR Policy of the company. Implementing agencies were appointed to carry out the projects/programs.

#### **2. Composition of CSR Committee**

The committee consists of following members:

S. No	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Raminder Singh Nibber	Chairman, Executive Director	04	04
2	Mrs. Neha	Member, Independent Director	04	04
3	Mr. Ajay Kumar	Member, Executive Director	04	04

**3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://www.pritikaautoindustries.com/>

**4. The provisions of Impact Assessment are not applicable on the company.**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: N.A.**

S.No.	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
---NA---			

**6. Average Net Profit of the company as per Section 135(5): Rs. 1308.11 lacs**

**7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 26.16 lacs**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**

**(c) Amount required to be set off for the financial year: Nil**

**(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 26.16 lacs**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
27.32	---NA---				

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration.	Amount Allocated for the project (in Rs.).	Amount spent in the current financial	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
---NA---												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	BJF Stars Program 2 years residential program for IIT/AIEEE entrance	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Chandigarh	Chandigarh	10.00	No	Bhai Jaitajee Foundation India (BJFI)	NA
2	INPA Institute for personnel training for teaching children with various disabilities	--do--	Yes	Chandigarh	Chandigarh	4.00	No	Indian National Portage Association (INPA)	NA
3	Menstrual Hygiene Awareness Program	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Punjab	SAS Nagar Una	7.41	No	Rani Breast Cancer Trust	NA
4	Free Medical Facilities	--do--	Yes	Punjab	SAS Nagar	0.50	No	Sahibzada Ajit Singh Free Poly Clinic Trust (Regd.)	NA
5	Portable/Mobile Toilets Project	--do--	Yes	Himachal Pradesh	Una	3.76	No	Chandigarh Central Rotary Club Service Trust	NA
6	Providing School	Promoting education,	Yes	Punjab	SAS Nagar	0.73	No	Chandigarh	NA



	Uniform to students	including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.						Central Rotary Club Service Trust	
7	Providing laptops to students	--do--	Yes	Punjab	SAS Nagar	0.67	No	Chandigarh Central Rotary Club Service Trust	NA
8	Hospital Hygiene Assistant Course	--do--	Yes	Punjab	SAS Nagar	0.25	No	Tech Mahindra SMART Academy for Healthcare	NA
TOTAL						27.32			

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Amount in lakh)	Amount Spent in the reporting Financial Year (Amount in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (Amount in lakh)
				Name of the Fund	Amount (in lakh)	Date of transfer	
1	2019-20	NA	3.00	NA	NA	NA	No

*Note: The company's office and units were temporarily closed in March 2020 due to lockdown declared by the Government of India. As such, an amount of Rs. 3 lacs remained unspent during FY2019-20 which was spent in the FY2020-21 to complete the projects undertaken by the company during 2019-20.*

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Amount in lakh)	Amount spent on the project in the reporting Financial Year. (Amount in lakh)	Cumulative amount spent at the end of reporting Financial Year. (Amount in lakh)	Status of the project- Completed/ Ongoing
---NA---								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s). Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Nil

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.**

Date: 14/08/2021  
Place: Mohali

Sd/-  
Harpreet Singh Nibber  
Managing Director

Sd/-  
Raminder Singh Nibber  
Chairman, CSR Committee

## **INDEPENDENT AUDITOR’S REPORT**

**To**  
**The Members of PRITIKA AUTO INDUSTRIES LIMITED**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **PRITIKA AUTO INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the statement of Changes in Equity and statement of cash flows for the year then ended and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘standalone Ind AS financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (‘the Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its profit including other comprehensive Income, cash flows and change in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone Ind As financial statements in accordance with the Standards on Auditing as 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 ICAI Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

#### **Information other than the Standalone Ind AS Financial Statements and Auditor’s Report thereon**

The company’s Board of Directors is responsible for the other information. The other information comprises the information included in company’s annual report, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report the fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Standard on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As Part of an audit in accordance with Standard on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 financial 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 controls.
- 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 Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS 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.

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

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 1**, a statement on the matters specified in the paragraph 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, 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 2**” to this report;

g. In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2021 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no items which required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Sunil Kumar Gupta & Co.**

Chartered Accountants

Firm’s Registration No.: 003645N

Sd/-

**S.K Gupta**

Partner

Membership No: 082486

Place: Mohali

Date: 16<sup>th</sup> June, 2021

ICAI UDIN: 21082486AAAAAL2210

## **Annexure – 1 TO INDEPENDENT AUDITORS' REPORT**

**(Annexure referred to in our report of even date to the members of Pritika Auto Industries Limited, on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2021).**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property plant and equipment.  
(b)The Company has policy of physically verifying its Property, Plant & Equipment on reasonable interval having regard to the size of the company and the nature of its business. During the year Property plant and equipment have been physically verified by the management at the year end and no material discrepancies were noticed on such verification  
(c)According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising one immovable property is not held in the name of the Company as at the balance sheet date. The above immovable property is held by the company as ultimate beneficial owner and change of name in title deeds is under process as on balance sheet date.
- (ii) As explained to us, the management has physically verified the inventories at reasonable intervals. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- (iii) As explained to us, the Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given, have been complied with by the company.
- (v) According to the information given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 or any relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) from time to time. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a)Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Goods & Service Tax, cess and other statutory dues have generally been regularly deposited though minor delays with the appropriate authorities as on 31<sup>st</sup> March, 2021 no dues which is outstanding for a period of more than six months from the date they became payable.  
  
(b)According to the information and explanations given to us, there are no material dues in respects of wealth tax, duty of custom and goods & Service tax wherever applicable to the company which have not been deposited with the appropriate authorities on account of any dispute. The due in respect of Income Tax that

have not been deposited with the appropriate authorities on account of any dispute and the forum where the dispute is pending given below:

<b>Name of Dues and Name of Statute</b>	<b>Year to which amount relates</b>	<b>Forum where matter is pending</b>	<b>Amount in Rs.</b>
Income Tax Income Tax Act, 1961	FY 2016-17	CIT (Appeals)	Rs. 14,37,160
Income Tax Income Tax Act, 1961	FY 2015-16	Assessing officer	Rs. 23,640
Income Tax Income Tax Act, 1961	FY 2017-18	CPC	Rs. 9,82,980
Income Tax Income Tax Act, 1961	FY 2017-18	CIT (Appeals)	Rs. 12,28,740
Income Tax Income Tax Act, 1961	FY 2018-19	CIT (Appeals)	Rs. 17,40,620

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending litigation.
- (x) According to the information and explanation given to us and as represented by the management and based on our examination of the books and records of the company and in accordance with the generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the company or by its officers or employees during the year.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, and where applicable the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is 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, paragraph 3(xvi) of the Order is not applicable.

**For Sunil Kumar Gupta & Co.**  
Chartered Accountants  
Firm's Registration No.: 003645N

Sd/-  
**S.K Gupta**  
Partner  
Membership No: 082486

Place: Mohali  
Date: 16th June, 2021  
ICAI UDIN: 21082486AAAAAL2210



## **Annexure – 2 TO INDEPENDENT AUDITORS' REPORT**

**(Annexure referred to in our report of even date to the members of Pritika Auto Industries Limited, on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2021).**

### **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 **PRITIKA AUTO INDUSTRIES LIMITED** (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the Standalone Ind AS 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 with reference to these standalone Ind AS financial statements 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 as specified 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 with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 over financial reporting with reference to these standalone Ind AS financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with reference to these standalone Ind AS financial statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2021, 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).

**For Sunil Kumar Gupta & Co.**  
Chartered Accountants  
Firm's Registration No.: 003645N

Sd/-  
**S.K Gupta**  
Partner  
Membership No: 082486

Place: Mohali  
Date: 16<sup>th</sup> June, 2021  
ICAI UDIN: 21082486AAAAAL2210

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in Lacs)

Particulars	Note	As At March 31, 2021	As At March 31, 2020
<b>I. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3	6,814.91	6,596.65
(b) Capital work in progress	3	830.91	459.80
(c) Goodwill	4	1,354.77	1,354.77
(d) Financial Assets			
- Investments	5	1,523.60	693.24
- Other financial assets	6	13.75	648.54
(e) Deferred Tax Assets (net)	7	62.36	125.32
(f) Other Non-Current Assets	8	98.49	91.67
<b>Total Non Current Assets (A)</b>		<b>10,698.79</b>	<b>9,969.99</b>
<b>2. Current Assets</b>			
(a) Inventories	9	5,331.01	5,255.34
(b) Financial Assets			
- Trade Receivables	10	6,275.23	4,592.13
-Cash and Cash Equivalents	11	31.83	129.79
-Bank balances other than cash and cash equivalents	12	246.42	88.23
-Other Current Financial Assets	13	1,277.45	1,319.41
(c) Other Current Assets	14	244.24	246.51
<b>Total Current Assets (B)</b>		<b>13,406.18</b>	<b>11,631.41</b>
<b>TOTAL ASSETS ( A+ B)</b>		<b>24,104.97</b>	<b>21,601.40</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	1,773.45	1,773.45
(b) Other Equity	16	10,922.78	10,224.67
<b>Total Equity (A)</b>		<b>12,696.23</b>	<b>11,998.12</b>
<b>2. LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	17	1,852.17	1,084.87
(b) Provisions	18	168.42	153.22
(c) Deferred Tax Liabilities ( net )	19	231.14	197.41
(d) Other non-current liabilities	20	38.27	28.05
<b>Total Non Current Liabilities ( B)</b>		<b>2,290.00</b>	<b>1,463.55</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	21	3,704.13	3,877.89
-Trade Payables	22	-	-
Total Outstanding dues of micro enterprise and small enterprise		2,019.91	1,512.28
- Other Financial Liabilities	23	2,541.74	2,136.04
( b ) Other Current Liabilities	24	683.95	472.34
( c ) Provisions	25	169.01	141.18
<b>Total Current Liabilities ( C )</b>		<b>9,118.74</b>	<b>8,139.73</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>24,104.97</b>	<b>21,601.40</b>

## Significant Accounting Policies

2

The accompanying notes are integral part of the financial statements

As per our report of even date

For and on behalf of Board of Directors

For Sunil Kumar Gupta &amp; Co.

Chartered Accountants

Firm Registration number: 003645N

Sd/-

S.K Gupta

Partner

Membership No.: 082486

Sd/-

Harpreet Singh Nibber

( Managing Director )

DIN No. 00239042

Sd/-

Raminder Singh Nibber

( Chairman )

DIN No. 00239117

Sd/-

Narinder Kumar Tyagi

C.F.O

Sd/-

Chander Bhan Gupta

Company Secretary

M.No. F2232

Place: Mohali

Date: 16-06-2021

## STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Lacs)

Particulars	Note No.	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I Revenue from operations	26	19,687.73	14,903.03
II Other Income	27	112.01	175.66
<b>III Total Income ( I+II)</b>		<b>19,799.74</b>	<b>15,078.69</b>
<b>IV Expenses</b>			
a) Cost of material consumed	28	11,879.90	8,746.73
b) Changes in inventories of finished goods , Work in progress and stock in trade	28(a)	116.01	(68.59)
c) Employee benefits expense	29	1,189.64	1,216.29
d) Finance costs	30	631.16	587.74
e) Depreciation and amortization expense	31	745.65	677.24
f) Other Expenses	32	4,440.12	3,168.49
<b>Total Expenses (IV)</b>		<b>19,002.48</b>	<b>14,327.90</b>
<b>V Profit/(Loss) before exceptional items and tax ( III-IV)</b>		<b>797.26</b>	<b>750.79</b>
VI Exceptional Items		-	-
<b>VII Profit/ (Loss) before tax ( V-VI)</b>		<b>797.26</b>	<b>750.79</b>
<b>VIII Tax Expense:</b>			
a) Current Tax	34	205.21	184.02
b) Adjustment of tax relating to earlier periods		13.77	-
c) Deferred Tax	34	26.71	22.70
<b>Total tax expenses ( VIII )</b>		<b>245.69</b>	<b>206.72</b>
<b>IX Profit/ (Loss ) for the period ( VII-VIII)</b>		<b>551.57</b>	<b>544.07</b>
<b>X Other comprehensive income</b>			
Items that will not to be reclassified to profit or loss			
Re-measurement (gains)/ losses on defined benefit plans		(4.06)	7.18
Revaluation Loss/ (Gain) due to Foreign exchange		1.91	(3.69)
Impact of fair valuation of Equity shares and mutual fund		148.69	29.63
<b>XI Total comprehensive Income for the period ( IX + X )</b>		<b>698.11</b>	<b>577.19</b>
<b>XII Earnings per equity share( Nominal value of Rs. 10/- per share )</b>			
Basic	33	3.11	3.07
Diluted	33	3.09	3.04

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sunil Kumar Gupta &amp; Co.

Chartered Accountants

Firm Registration number: 003645N

For and on behalf of the Board of directors

Sd/-

S.K Gupta

Partner

Membership No.: 082486

Sd/-

Harpreet Singh Nibber

( Managing Director )

DIN No. 00239042

Sd/-

Raminder Singh Nibber

( Chairman )

DIN No. 00239117

Sd/-

Narinder Kumar Tyagi

C.F.O

Sd/-

Chander Bhan Gupta

Company Secretary

M.No. F2232

Place: Mohali

Date: 16-06-2021



STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of Profit & Loss	797.26	750.79
<b>Adjustments for:</b>		
- Depreciation and amortisation expense	745.65	677.24
- Finance costs	631.16	587.74
- Creditors balance written back	-	(0.18)
- Gratuity / Leave encashment provision	31.48	46.84
- Forex fluctuation	(1.49)	-
- Profit on Sale of Fixed Assets	(0.69)	-
- LTCG on sale of shares	(3.51)	-
<b>Operating profit before working capital changes</b>	<b>2,199.86</b>	<b>2,062.43</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in Trade Payables	507.63	(250.89)
Increase/(Decrease) in Other Current Liabilities	628.54	70.90
Increase/(Decrease) in Short Term Provisions	(1.82)	9.46
(Increase) / Decrease in Trade Receivables	(1,683.10)	(229.52)
(Increase) / Decrease in Inventories	(75.67)	(159.08)
(Increase) / Decrease in Other Current Assets	2.27	(49.89)
(Increase) / Decrease in Other Assets	669.93	245.43
<b>Cash generated from operations</b>	<b>2,247.64</b>	<b>1,698.84</b>
Taxes paid	(133.36)	(396.42)
<b>Net Cash from Operating Activities</b>	<b>2,114.28</b>	<b>1,302.42</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(1,334.75)	(1,254.48)
Movement in fixed deposits (having original maturity of more than three months)	(158.19)	(0.61)
Increase in Investment ( Net )	(681.67)	(140.63)
<b>Net Cash used in Investing Activities</b>	<b>(2,174.61)</b>	<b>(1,395.72)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loans Raised ( Net )	767.30	(55.34)
Short Term Loans Paid ( Net )	(173.77)	818.32
Interest Paid	(631.16)	(587.74)
<b>Net Cash from Financing Activities</b>	<b>(37.63)</b>	<b>175.24</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(97.96)</b>	<b>81.94</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>129.79</b>	<b>47.85</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>31.83</b>	<b>129.79</b>

Notes:

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow".
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

Sd/-  
S.K Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
( Managing Director )  
DIN NO.00239042

Sd/-  
Raminder Singh Nibber  
( Chairman )  
DIN No. 00239117

Place: Mohali  
Date: 16-06-2021

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Lacs)

A. Equity Share Capital					
Particulars	Balance as on April 1, 2019	Changes during the year	Balance as on March 31, 2020	Balance as on April 1, 2020	Balance as on March 31, 2021
a) Authorised Share Capital					
3,65,00,000 (PY 3,65,00,000) Equity shares of Rs.10/- each	3,650.00	-	3,650.00	3,650.00	3,650.00
	3,650.00	-	3,650.00	3,650.00	3,650.00
b) Issued, Subscribed And Fully Paid Up					
1,77,34,500 (PY 1,77,34,500 ) Equity shares of Rs.10/- each	1,773.45	-	1,773.45	1,773.45	1,773.45
	1,773.45	-	1,773.45	1,773.45	1,773.45

## B. Other Equity

Particulars	Equity component of compound financial instruments.	Share Warrant	Reserves and Surplus			Total
			Securities premium	Capital Reserve	Retained earnings	
<b>Balance as at April 1, 2019</b>						
Balance at the beginning of the reporting period	-	287.50	5,369.97	-	4,113.35	9,770.82
Profit / Addition during the year	-	-	-	-	544.07	544.07
Transfer to retained earnings	-	-	-	-	(106.88)	(106.88)
Corporate Dividend and Tax Mat Adjustment	-	-	-	-	(16.46)	(16.46)
<b>Balance as at March 31, 2020</b>	-	<b>287.50</b>	<b>5,369.97</b>	-	<b>33.12</b>	<b>33.12</b>
						<b>10,224.67</b>
<b>Balance as at April 1, 2020</b>						
Balance at the beginning of the reporting period	-	287.50	5,369.97	-	4,567.20	10,224.67
Profit / Addition during the year (A)	-	-	-	-	551.57	551.57
Trf to Capital Reserve	-	(287.50)	-	-	-	(287.50)
Trf From Share Warrant	-	-	-	287.50	-	287.50
Other Comprehensive Income(B)	-	-	-	-	146.54	146.54
Total Comprehensive Income ( A+B)	-	-	-	-	698.11	698.11
<b>Balance as at March 31, 2021</b>	-	-	<b>5,369.97</b>	<b>287.50</b>	<b>5,265.31</b>	<b>10,922.78</b>

The accompanying notes are integral part of the financial statements

As per our report of even date

For Sunil Kumar Gupta &amp; Co.

Chartered Accountants

Firm Registration number: 003645N

Sd/-

S.K Gupta

Partner

Membership no.: 082486

Sd/-

Harpreet Singh Nibber

( Managing Director )

DIN No. 00239042

Sd/-

Raminder Singh Nibber

(Whole Time Director )

DIN No. 00239117

Place: Mohali

Date: 16-06-2021

Sd/-

Narinder Kumar Tyagi

C.F.O

Sd/-

Chander Bhan Gupta

Company Secretary

M.No. F2232

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 1 GENERAL INFORMATION

Pritika Auto Industries Limited ("the Company") is a Listed company domiciled in India was incorporated on 11.04.1980 and is engaged in the manufacturing of tractor and automobile components. The Company is a Public Limited Company and is listed on Bombay Stock Exchange (BSE). The financial statements were approved by the board of directors on June 16, 2021.

#### 2.1 Basis of Preparation of Financial Statements

These Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') specified under Section 133 of the Companies Act, 2013 ('Act') the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The Financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern. The Financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle at least as twelve months for the purpose of current-non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified at least twelve months as its operating cycle.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Financial Statements. The actual amounts may differ from the estimates used in the preparation of the Financial Statements and the difference between actual results and the estimates are recognised in the period in which the results are known/ materialise.

#### 2.3 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

## **Non-derivative financial instruments**

### **1. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **2. Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income. Financial instruments (unquoted instruments) subsequent measurement are done through fair value through other comprehensive income (FVTOCI)

### **3. Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

### **4. Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

## **2.4 Property, Plant and Equipment (PPE)**

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under "Capital Work-in-Progress".

The residual values, useful life and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013"



**Asset Useful live**

Buildings including factory buildings	30 years
General Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers /servers and Network	3/6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

**2.5 Intangible assets**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss. The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

**Asset Useful life**

Computer software	3 years
-------------------	---------

The estimated useful life is reviewed annually by the management.

**2.6 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**2.7 Impairment**

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

**2.8 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating,

investing and financing activities of the company are segregated.

## **2.9 Investments**

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

## **2.10 Inventories**

Inventories are valued at lower of cost (First in First out) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and net off recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## **2.11 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity/services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised."

### **Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Interest Income**

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

## **Dividend**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

## **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### **2.12 Operating leases including investment properties**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As a lessee**

##### **a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### **b) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

##### **c) Short-term leases and leases of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are

classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

## **2.13 Employee benefit expenses**

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and compensated absences.

### **(i) Post-employment benefit plans**

#### **Defined Contribution plans**

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan for qualifying employees. The provident fund is deposited with the Provident Fund Commissioner which is recognized by the Income Tax authorities.

#### **Defined benefit plans**

The Company operates various defined benefit plans- gratuity fund and Compensated absence.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income/ (expense) on the net defined benefit liability or as set is recognised in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### **Short term employee benefit**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

## **2.14 Borrowing cost**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period

of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

## **2.15 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### **Current tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis."

### **Deferred tax**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

## **2.16 Accounting of provisions, contingent liabilities and contingent assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present



obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

## **2.17 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## **2.18 Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

## **2.19 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

## **2.20 Foreign currencies and operations**

### **i. Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest lacs, unless otherwise stated.

### **ii. Foreign currency transactions and balances**

Foreign currency transactions are recorded in the functional currency (Indian Rupee) by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency on the date of the transaction (spot exchange rate).

All monetary items denominated in foreign currency are converted into Indian Rupees at the year-end exchange rate. The exchange differences arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss.

Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on the date of the transaction.

## 3. Property, Plant and Equipment

(All amounts in Lacs)

Particulars	Air Conditioner	Computers	D/G Set	Furniture & Fixtures	Office Equipment	Vehicle	Weigh Bridge	Free hold Land	Building	Electric Fitting	Pattern	High Life Tool	Jigs and Fixture	Plant & Machinery	Building Other Than Factory Building	Leased Assets	Total	Building under Construction	Capital Work in Progress	Total CNVP
<b>Cost or Deemed Cost</b>																				
At April 1, 2019	3.32	5.99	38.69	13.82	9.66	248.57	0.88	838.73	905.30	347.24	917.72	40.18	913.21	3,489.27	23.82	-	7,771.40	105.29	132.83	281.12
Additions / Adjustment	0.86	5.35	-	3.67	1.64	-	0.65	-	6.39	41.08	360.57	3.17	486.73	218.91	-	79.96	1,288.78	106.99	339.46	446.45
Transfer / Sale	-	-	-	-	-	-	-	-	-	(4.20)	-	-	(137.14)	-	-	-	(141.34)	-	(234.77)	(234.77)
At March 31, 2020	4.18	11.34	38.69	17.29	11.30	248.57	1.53	838.73	911.69	384.12	1,273.29	43.35	1,282.80	3,708.18	23.82	79.96	8,838.84	212.28	207.52	499.80
At April 1, 2020	4.18	11.34	38.69	17.29	11.30	248.57	1.53	838.73	911.69	384.12	1,273.29	43.35	1,282.80	3,708.18	23.82	79.96	8,838.84	212.28	207.52	499.80
Additions / Adjustment	1.52	11.91	-	0.88	4.91	31.78	-	-	300.75	31.23	150.84	3.20	329.98	105.33	2.23	-	973.15	33.80	828.96	882.76
Transfer / Sale	-	-	-	-	-	(9.73)	-	-	-	-	-	-	-	(51.90)	-	-	(41.63)	(221.79)	(299.68)	(491.69)
At March 31, 2021	5.70	23.25	38.69	17.77	16.21	270.62	1.53	838.73	1,212.44	415.35	1,424.13	46.55	1,591.78	3,761.61	26.05	79.96	9,770.37	244.29	808.62	830.91
<b>Depreciation and Impairment</b>																				
At April 1, 2019	2.50	2.14	20.86	5.61	4.90	59.75	0.73	-	106.49	116.53	138.76	9.12	111.03	1,029.33	3.54	-	1,610.29	-	-	-
Additions	0.22	2.29	6.35	1.29	1.15	27.03	0.04	-	35.05	31.72	83.82	5.59	92.08	384.60	1.01	5.00	677.24	-	-	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	(0.25)	-	-	(45.11)	-	-	-	(45.34)	-	-	-
At March 31, 2020	2.72	4.43	27.21	6.90	6.05	86.78	0.77	-	141.54	148.02	222.58	14.71	158.00	1,413.93	4.55	5.00	2,342.19	-	-	-
At April 1, 2020	2.72	4.43	27.21	6.90	6.05	86.78	0.77	-	141.54	148.02	222.58	14.71	158.00	1,413.93	4.55	5.00	2,342.19	-	-	-
Additions	0.52	4.84	3.15	1.52	1.40	25.31	0.06	-	39.31	32.27	130.50	4.55	127.54	353.41	1.08	19.99	745.65	-	-	-
Transfer / Sale	-	-	-	-	-	(6.33)	-	-	-	-	-	-	-	(26.05)	-	-	(32.38)	-	-	-
At March 31, 2021	3.24	9.27	30.36	8.42	7.45	105.76	0.83	-	179.85	180.29	353.08	19.26	285.54	1,741.29	5.63	24.99	2,955.46	-	-	-
<b>Net Carrying Amount as on 31/03/2020</b>	1.46	6.91	11.48	10.39	5.25	161.79	0.76	838.73	771.15	236.10	1,050.71	28.64	1,104.80	2,294.25	19.27	74.96	6,596.65	212.28	207.52	499.80
<b>Net Carrying Amount as on 31/03/2021</b>	2.46	13.98	8.33	9.35	8.76	164.66	0.70	838.73	1,102.99	255.06	1,071.05	27.28	1,306.24	2,400.32	20.42	54.97	6,814.91	244.29	808.62	830.91

\* During the FY 2018-19, Prithika Autoacast Limited (Transferee Company) has been amalgamated with Prithika Auto Industries Limited (Transferor Company) vide order dated 06th February 2019. The updation of name of Prithika Auto Industries Limited on title of properties in the name of Prithika Autoacast Limited is under process.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

<b>4 Goodwill</b>	<b>(All amounts in Lacs)</b>	
<b>Particulars</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
Goodwill	1,354.77	1,354.77
<b>Total</b>	<b>1,354.77</b>	<b>1,354.77</b>

<b>5 Investments</b>		
<b>Particulars</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
<b>Investments carried at Fair value through Other Comprehensive Income ( FVOCI)</b>		
<b><u>Investments in Equity Instruments fully paid up -Subsidiary Company-(Unquoted)</u></b>		
Pritika Engineering Components Private Limited ( 76,34,515 , PY 49,99,902 Equity shares of Rs. 10 each)	1,184.99	499.99
<b><u>Investments in Equity Instruments fully paid up (Unquoted)</u></b>		
Shivalik Solid Waste Management Limited (10,000 , PY 10,000 Equity shares of Rs. 10/-each )	1.00	1.00
<b><u>Investments in Equity Instruments fully paid up (quoted)</u></b>		
Ajooni Biotech Limited (10,19,446 , PY 9,37,500 Equity Shares of Rs 10 /- each)	309.91	168.75
<b>Investments in Mutual Fund- Canara Robeco</b>	27.70	23.50
<b>Total</b>	<b>1,523.60</b>	<b>693.24</b>
Aggregate Book Value/Market Value of Unquoted Investments	1,185.99	500.99
Aggregate Market Value of Mutual Fund Investment	27.70	23.50
Aggregate Book Value/Market Value of Quoted Investments	309.91	168.75

<b>6 Other financial Assets</b>		
<b>Particulars</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
Bank deposits having original maturity more than 12 months	13.75	138.40
Loan to Related Parties ( Refer Note no. 35)	-	510.14
<b>Total</b>	<b>13.75</b>	<b>648.54</b>

<b>7 Deferred tax assets(Net)</b>		
<b>Particulars</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
<u>Relating to origination and reversal of temporary differences *</u>	62.36	125.32
<b>Total</b>	<b>62.36</b>	<b>125.32</b>

\* Note : Deferred tax assets balance includes the balance of MAT credit Entitlement of INR Nil Lakh ( At March 31 2020 : INR 69.98 lakhs)

<b>8 Other Non-Current Assets</b>		
<b>Particulars</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
Unamortised Processing Cost	3.96	7.00
Security Deposits	94.53	84.67
<b>Total</b>	<b>98.49</b>	<b>91.67</b>

**9 Inventories**

Particulars	As At March 31, 2021	As At March 31, 2020
Raw Materials ( Include material in transit of INR 17.46 lacs ( At March 31,2020 INR Nil )	1,413.77	1,227.03
Store & Spares	323.78	318.84
Work in Progress	3,535.63	3,652.26
Finished Goods	57.83	57.21
<b>Total Inventories are carried at lower of cost and net realisable value</b>	<b>5,331.01</b>	<b>5,255.34</b>

**10 Trade Receivables**

Particulars	As At March 31, 2021	As At March 31, 2020
Unsecured, Considered Good.	6,282.68	4,592.13
Less : Provision for Doubtful Debts	(7.45)	-
<b>Total</b>	<b>6,275.23</b>	<b>4,592.13</b>

\* Note : Trade receivables includes receivable from related parties .( Refer Note No. 35 )

**11 Cash and Cash Equivalents**

Particulars	As At March 31, 2021	As At March 31, 2020
Balances with banks - in current accounts	17.56	111.41
Cash on Hand ( including imprest )	14.27	18.38
<b>Total</b>	<b>31.83</b>	<b>129.79</b>

**12 Bank balances other than Cash and Cash Equivalents**

Particulars	As At March 31, 2021	As At March 31, 2020
Investment in term deposits (With Original Maturity more than 3 months but less than 12 months( including interest accrued)	246.42	88.23
<b>Total</b>	<b>246.42</b>	<b>88.23</b>

**13 Other Current Financial Assets**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Unsecured , Considered Good</b>		
Loan and advances others	1,267.38	1,316.65
Advance to Staff	10.07	2.76
<b>Total</b>	<b>1,277.45</b>	<b>1,319.41</b>

Note : Loan & Advance others include receivable from related parties .( Refer Note No. 35 )

**14 Other Current Assets**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Unsecured , Considered good</b>		
Prepaid expenses	37.68	24.26
Balance with Govt. authorities	174.70	178.38
Other Receivable	31.86	43.87
<b>Total</b>	<b>244.24</b>	<b>246.51</b>

## 15 Equity Share Capital

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Authorised</b>		
3,65,00,000 (PY 3,65,00,000) Equity shares of Rs.10/- each	3,650.00	3,650.00
	<b>3,650.00</b>	<b>3,650.00</b>
<b>Issued, subscribed and fully paid-up</b>		
1,77,34,500 (PY 1,77,34,500 ) Equity shares of Rs.10/- each	1,773.45	1,773.45
<b>Total</b>	<b>1,773.45</b>	<b>1,773.45</b>

### (a) Reconciliation of shares outstanding at the beginning and at the end of the period

Particulars	No of shares (in lacs)
<b>Equity Shares</b>	
<b>At April 1, 2019</b>	177.35
Add: Issued during the period	-
<b>At March 31, 2020</b>	177.35
Add: Issued during the period	-
<b>At March 31, 2021</b>	<b>177.35</b>

### (b) Term/right attached to equity shares:

The Company has only one class of equity share having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) Details of share held by each shareholder holding more than 5 % shares ;

Particulars	As At March 31, 2021	As At March 31, 2021	(in Lacs) As At March 31, 2020	As At March 31, 2020
	% of holding	No of Shares	% of holding	No of Shares
<b>Equity Shares</b>				
Harpreet Singh Nibber	11.59%	20.55	11.59%	20.55
Raminder Singh Nibber	6.60%	11.71	6.60%	11.71
Pritika Industries Limited	27.86%	49.41	27.86%	49.41
Rajesh Sadhwani	9.69%	17.19	9.76%	17.32
Tano Investment Opportunities Fund	9.68%	17.16	-	-

## 16 Other Equity

Particulars	As At March 31, 2021	As At March 31, 2020
<b>(A) Retained Earnings</b>		
Opening balance	4,567.20	4,113.35
Net Profit / (loss ) for the year	551.57	544.07
Add/(Less) : Corporate Dividend	-	(88.66)
Add/(Less) : Corporate Dividend Tax	-	(18.22)
Add/(Less) : Mat Credit Adjustment	-	(16.46)
Add/(Less) : Other Comprehensive Income	146.54	33.12
<b>Closing balance</b>	<b>5,265.31</b>	<b>4,567.20</b>
<b>(B) Securities Premium</b>		
Opening Balance	5,369.97	5,369.97
Securities Premium during the year	-	-
<b>Closing balance</b>	<b>5,369.97</b>	<b>5,369.97</b>
<b>(C) Share Warrant</b>		
Opening Balance	287.50	-
Share Warrant Nil ( PY 5,75,000 ) , Rs. 50 paid up of Rs. 200 each	-	287.50
Less : Trf to Capital reserve	(287.50)	-
<b>Closing Balance</b>	<b>-</b>	<b>287.50</b>



**(D) Capital Reserve**

Opening Capital Reserve

During the year

Closing Capital Reserve

Total ( A+B+C+D)

-	-
287.50	-
287.50	-
10,922.78	10,224.67

During FY 2018-19 , the Company under section 42 and other applicable provisions of the Companies Act , 2013 has issued and allotted on preferential basis 5.75 lacs warrant at a price of Rs. 200 per warrant ( Rs. 50 Paid up ) to public ( non- promoters ) which will be converted into equivalent number of equity shares of Rs. 10 each at a premium of Rs. 190 per share on or before 20-07-2020 at the discretion of warrant holder . During the year , the Company forfeited the the share warrant amount due to non payment of the balance amount to be receivable from them on or before 20-07-2020 and the same has been transferred to the Capital reserve .

**17 Borrowings**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Secured</b>		
<b>1. Term Loan</b>		
<b>(a) Secured</b>		
- From Banks	1,305.69	540.46
- From Financial Institutions / NBFC	401.56	360.73
<b>(b) Unsecured</b>		
- From Financial Institutions / NBFC	77.24	86.36
- From Banks	19.98	36.62
- From Directors	14.16	14.16
<b>2. Long Term Maturities of finance Lease obligations-Unsecured</b>	33.54	46.54
<b>Total</b>	<b>1,852.17</b>	<b>1,084.87</b>

**Note No.17: Details of Securities and Terms of Repayment****I(I). Secured : Term loans from Banks****Canara Bank**

Particulars	As At March 31, 2021	As At March 31, 2020
The Term Loan of Rs 190 lacs repayable in 24 monthly Installments ( includes 6 months moratorium and 18 months repayment ) comprising of first 17 installments of Rs. 10.55 each and last one monthly installment of Rs.10.65 lacs excluding interest part. Current rate of interest is 7.65%.This loan is given to provide liquidity support affected by Covid-19 under Canara Credit Support .It is secured by exclusive charge on Trade receivables, Inventories, other current assets and Plant and Machinery of the company including land & Building of Unit-1 of the Company and Unit-II under paripassu with ICICI bank . This loan is also personally guaranted by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber.	179.45	-
The Working Capital Term Loan of Rs. 720.00 Lacs repayable in 60 Monthly installments with moratorium period of 12 months.Rate of interest is 7.50% p.a .This loan is sanctioned under ECLGS faciliy of the National Credit Guarantee Trustee Company Limited . The credit facility will rank second charge with existing Plant and machinery and other fixed assets of Unit-1 and paripassu charge with ICICI Bank in Unit-II the Company. This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	720.00	-
The Term Loan of Rs 75 lacs repayable in 72 Installments of Rs 1.05 Lacs each and one monthly installment of 0.45 lacs excluding interest part. Current rate of interest is 12.75%.This loan is secured by first charge by way of hypothecation of all the movebale including Plant and Machinery and Equipments acquire / to be acquire under the project / Scheme . This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	-	2.18

The Term Loan of Rs. 265.00 lacs repayable in 54 monthly installments of Rs.2.89 lacs each excluding interest part @ 9.45% .This loan is secured by first charge by way of hypothecation of all the moveable including Plant and Machinery and Equipments acquire / to be acquire under the project / Scheme . This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	170.58	176.66
The Quasi Equity Loan of Rs. 220.00 lacs repayable in 72 Monthly Installments of Rs.2.99 lacs each excluding interest part @12.65% having 12 month moratorium period.This loan is secured by first charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet singh Nibber.	17.96	36.67
The Working Capital Term Loan of Rs. 150.00 lacs repayable in 60 monthly instalment of Rs. 2.53 lacs each excluding interest part @ 9.55 % .This loan is secured by first charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet singh Nibber.	131.83	142.50
The Working Capital Demand Loan of Rs. 130.00 lacs repayable in 24 monthly installments ( includes 6 months moratorium and 18 months repayment ) comprising 17 instalments of Rs. 7.20 lacs and 18th instalment of Rs. 7.60 lacs excluding interest part @ 7.65% .This loan is secured by Exclusive charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr.Raminder Singh Nibber and Mr. Harpreet singh Nibber.	93.89	-
The Vehicle loan of Rs 3.00 lacs repayable in 60 monthly installments of Rs 0.06 lacs each. Current rate of interest is 9.30%.This loan is secured against vehicle purchased out of the fund.	-	0.13
The Vehicle Loan of Rs 10.50 lacs repayable in 60 Installments of Rs.0.21 lacs each including interest part.Current rate of interest is 7.95%.This loan is secured against vehicle purchased out of the fund.	6.62	7.70
The Vehicle Loan of Rs 5.50 lacs repayable in 60 Installments of Rs.0.11 lacs each including interest part. Current rate of interest is 7.85%.This loan is secured against vehicle purchased out of the fund.	3.98	4.51
The Vehicle Loan of Rs.8.25 lacs repayable in 60 Monthly Installments of Rs.0.17 lacs each including interest part @8.40 % .This term loan is secured against vehicle purchase out of this fund.	5.09	5.80
The Vehicle Loan of Rs 6.50 lacs repayable in 60 Installments of Rs.0.13 lacs each including interest part. Current rate of interest is 8.05%.This loan is secured against vehicle purchased out of the fund.	3.97	4.67
The Vehicle Loan of Rs. 15.95 lacs repayable in 60 Monthly Installments of Rs. 0.32 lacs each including interest part @ 7.50 % .This term loan is secured against vehicle purchase out of this fund.	14.83	-
The Vehicle loan of Rs 10.00 lacs repayable in 60 monthly installments of Rs 20.03 lacs each. Current rate of interest is 7.50%.This loan is secured against vehicle purchased out of the fund.	10.00	-
The Vehicle Loan of Rs.50.00 lacs repayable in 60 Monthly Installments of Rs.1.25 lacs each including interest part @7.95%.This term loan is secured against vehicle purchase out of this fund.	9.78	17.19
<b>Total</b>	<b>1,367.98</b>	<b>398.01</b>
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	346.95	85.53
<b>Total</b>	<b>1,021.03</b>	<b>312.48</b>

#### Secured Loans from other Banks

Particulars	As At March 31, 2021	As At March 31, 2020
<b>ICICI Bank</b> : The Vehicle loan of Rs 5.65 lacs repayable in 60 monthly installments comprising of 59 monthly installments of Rs 0.116 lacs each and last monthly installments of Rs 0.09 Lacs (including interest part).current Interest rate is 8.75%.This loan is secured against vehicle purchased out of the fund.	1.32	2.55

<b>ICICI Bank</b> : The Term loan of Rs.323.8 lacs repayable in 60 monthly installments of Rs.5.40 lacs each (excluding interest part).Current Interest rate is 10%. This loan is takeover of the existing loan limit with SIDBI . This loan facility has first pari - passu charge on all movable assets ,except those financed by other banks/NBFCs/FI and first charge on factory land and building of Unit -II of the Company . This loan is personally guaranted by directors namely Mr. Harpreet Singh Nibber and Mr. Raminder Singh Nibber	221.11	264.44
<b>ICICI Bank</b> : The Working Capital Term loan of Rs.153.96 lacs repayable in 48 monthly installments including 12 month moratorium . (excluding interest part).Current Interest rate is 8.25%. This loan is under Emergency credit line Guaranteed scheme ( ECLGS ) by Govt. of India. This facility rank second charge with the existing faciliy in terms of cash flows and shall be secured by (i) extension of second ranking charge over all existing securities created in favour of ICICI bank (ii) charge to created on the assets created under the facility.	153.97	-
<b>HDFC Bank</b> : The Vehicle Loan of Rs.12.00 lacs repayable in 60 Monthly Installments of Rs.0.25 lacs each including interest part .This term loan is secured against vehicle purchase out of this fund.	-	1.94
<b>Total</b>	<b>376.40</b>	<b>268.93</b>
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	91.74	40.95
<b>Total</b>	<b>284.66</b>	<b>227.98</b>
<b>GRAND TOTAL OF SECURED LOANS FROM BANKS</b>	<b>1,305.69</b>	<b>540.46</b>

## I(II) Secured Loans

### A. Loans from Financial Institutions /NBFCs

Particulars	As At March 31, 2021	As At March 31, 2020
<b>SIDBI</b> : Term Loan of Rs. 75 Lacs repayable in 54 monthly installments comprising of first 53 installments of Rs. 1.39 lacs each and last i.e 54th Installment of Rs. 1.33 lacs excluding interest part .Current rate of Interest is 11.40 % p.a.Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme. These loans are personally guaranteed by directors namely S. Raminder Singh Nibber and S. Harpreet Singh Nibber.	26.35	36.08
<b>SIDBI</b> : Soft Loan of Rs. 10 Lacs repayable in 54 monthly installments comprising of first 53 installments of Rs. 0.19 lacs each and last i.e 54th Installment of Rs. 0.20 lacs .excluding interest part .Current rate of Interest is 11.40 % p.a .Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme. These loans are personally guaranteed by directors namely S. Raminder Singh Nibber and S. Harpreet Singh Nibber.	3.53	4.82
<b>Mahindra &amp; Mahindra Financial Services Limited</b> : The vehicle term loan of Rs. 11.80 lacs repayable in 60 monthly installments comprising of Rs. 0.24 lacs each ( including interest part ).Current interest rate is 9 %. This loan is secured against vehicle purchased out of the fund.	7.14	9.33
<b>Bajaj Finance Ltd.</b> : The term loan of Rs.200 lacs repayable in 60 installments comprising of Rs. 4.29 each lacs including interest part.Interest rate is 10.50%.	132.05	159.31
<b>Daimler Financial Service Pvt. Ltd.</b> : The vehicle loan of Rs. 56.02 lacs repayable in 48 monthly installments comprising of 47 installments of Rs. 1.09 lacs each and 48th installment of Rs. 24.09 lacs .Interest rate is 11.75% . This loan is secured against vehicle purchased out of the fund.	37.94	46.05
<b>Mahindra &amp; Mahindra Financial Services Limited</b> : The term loan of Rs 245 lacs repayable 48 monthly ( including 3 months morotoriaum period ) installments comprising of Rs 5.71 lacs each (Including interest part) .Interest rate is 10.70%. Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme.	119.78	160.72

<b>Mahindra &amp; Mahindra Financial Services Limited:</b> The term loan of Rs 111 lacs repayable 48 monthly (including 12 months moratorium period ) installments comprising of Rs 3.59 lacs each (Including interest part) .Interest rate is 10.25% . This loan is sanctioned under ECLGS facility of the National Credit Guarantee Trustee Company Limited . The credit facility will rank second charge with the existing credit facilities by Mahindra Finance in term of cash flows and hypothecation on machinery funded through TL by MMFSL .	111.00	-
<b>Punjab Reliable Investment (P) Ltd. :</b> The Machinery Loan of Rs.23 lacs repayable in 45 installments comprising of first 16 installments of Rs.0.84 lacs each , next 16 installments of Rs. 0.66 lacs each , next 13 installments of Rs.0.45 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	12.60	19.76
<b>Punjab Reliable Investment (P) Ltd. :</b> The Machinery Loan of Rs. 28 Lacs repayable in 45 installments comprising of first 16 installments of Rs. 1.02 lacs each , next 16 installments of Rs. 0.80 lacs each , next 13 installments of Rs. 0.56 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	14.57	23.37
<b>Punjab Reliable Investments Private Limited :</b> The loan of Rs. 17 lacs repayable in 45 monthly installments comprising first 16 installments of Rs. 0.62 lacs , next 16 installments of Rs. 0.49 lacs and next 13 installments of Rs. 0.34 lacs .( Including interest ). This loan is secured against machineries purchased out of this fund.	13.77	-
<b>Punjab Reliable Investment (P) Ltd. :</b> The Machinery Loan of Rs.14 Lacs repayable in 47 installments comprising of first 16 installments of Rs.0.51 lacs each , next 16 installments of Rs. 0.39 lacs each , next 15 installments of Rs. 0.245 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	9.11	13.40
<b>Bajaj Finance Ltd. :</b> The term loan of Rs.90 lacs repayable in 48 installments comprising of first 12 month moratorium period and next 36 installments Rs. 2.86 each lacs including interest part.Interest rate is 9%. This loan is sanctioned under ECLGS facility of the National Credit Guarantee Trustee Company Limited . The credit facility will rank second charge with the existing credit facilities by Bajaj Finance Limited in term of cash flows and hypothecation on machinery funded through TL by Bajaj Finance Limited .	90.00	-
<b>Total</b>	577.84	472.84
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	176.28	112.11
<b>Total</b>	<b>401.56</b>	<b>360.73</b>
<b>GRAND TOTAL OF SECURED LOANS FROM OTHERS</b>	<b>401.56</b>	<b>360.73</b>

## II (I) Unsecured Loans

### A. From NBFC/Financial Institutions

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Tractors and Farm Equipments Limited (Tafe) :</b> Loan of Rs 60 Lacs repayable in 24 monthly installments of Rs. 2.50 Lacs each. Interest rate is 10.50%	-	17.67
<b>Tractors and Farm Equipments Limited (Tafe) :</b> Loan of Rs 100 Lacs repayable in 24 monthly installments of Rs. 4.17 Lacs each. Interest rate is 9.50%	75.60	-
<b>Tata Capital Financial Services Limited :</b> The term loan of Rs. 50 lakh repayable in 24 equated monthly installments of Rs. 2.44 lacs each . Interest rate is 16%.	29.04	50.00
<b>Cholamandalam Investment and Finance Company Ltd.:</b> The loan of Rs. 80 lacs repayable in 84 monthly installments of Rs. 1.34 lacs each .Current interest rate @ 10.25%.	59.37	68.82
<b>Total</b>	164.01	136.49
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	86.77	50.13
<b>Total</b>	<b>77.24</b>	<b>86.36</b>

## II (II) Unsecured Loans

### B. From bank

Particulars	As At March 31, 2021	As At March 31, 2020
<b>IDFC First Bank Limited</b> : The term loan of Rs. 51 lacs repayable in 36 monthly installments of Rs. 1.79 lacs each . Interest rate is 16%.	36.62	51.00
Total	36.62	51.00
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	16.64	14.38
<b>Amount shown as unsecured Loan</b>	<b>19.98</b>	<b>36.62</b>

### From Directors

These loans are not interest bearing and repayable as and when company generates surplus cash but not within a period less than 1 year.

Particulars	As At March 31, 2021	As At March 31, 2020
Sh. Raminder Singh Nibber	14.16	14.16
<b>Total</b>	<b>14.16</b>	<b>14.16</b>

## 2. Long Term Maturities of finance Lease obligations-Unsecured

Particulars	As At March 31, 2021	As At March 31, 2020
Lease Liability ( A Machinery has been taken on Lease on 18.12.2019 for 48 monthly rental on lease payment of Rs. 1.88 lacs each. Incremental borrowing rate is 11% is considered for purpose of IND AS-116 .	56.12	69.12
Less : Current maturities on finance lease shown in note no.23	22.58	22.58
<b>Total</b>	<b>33.54</b>	<b>46.54</b>

## 18 Provisions

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Provision for Employee Benefits</b>		
Leave encashment	18.58	20.40
Provision for Gratuity	149.84	132.82
<b>Total</b>	<b>168.42</b>	<b>153.22</b>

## 19 Deferred Tax Liabilities (net)

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Deferred Tax</b>		
-Relating to origination and reversal of temporary differences	231.14	197.41
<b>Total</b>	<b>231.14</b>	<b>197.41</b>

## 20 Other Non-Current Liabilities

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Unsecured</b>		
Tooling Advance	38.27	28.05
<b>Total</b>	<b>38.27</b>	<b>28.05</b>



**21 Borrowings**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Secured</b>		
From Bank- Cash Credit - Loan Repayable on Demand	3,704.13	3,877.89
<b>Total</b>	<b>3,704.13</b>	<b>3,877.89</b>

The Cash Credit limit is under multiple banking arrangement between ICICI and Canara bank .These facilities are secured by first charge by way of hypothecation of Trade receivables, Inventories, Other current assets and Plant and Machinery of the Company including land & Building except those finance by other Bank/FI/NBFC both present and future . This Limit is also personally guaranted by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber.

**22 Trade Payables**

Particulars	As At March 31, 2021	As At March 31, 2020
Trade payables		
Total Outstanding dues of micro enterprise and small enterprise	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprise**	2,019.91	1,512.28
<b>Total</b>	<b>2,019.91</b>	<b>1,512.28</b>

**\*\*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').**

There are no Micro and Small Enterprise to whom the Company owes dues which are outstanding as at March 31, 2021 . This information as required to be disclosed under the Micro , Small and Medium enterprise Development Act , 2006 has been determined on the basis of Information available with the Company.

**\*\* Note : Trade payable includes payable to related parties .( Refer Note No. 35 )**

**23 Other Financial Liabilities**

Particulars	As At March 31, 2021	As At March 31, 2020
Current Maturities of Loans	718.38	303.10
Current Maturities on finance lease obligations	22.58	22.58
Interest Accrued but not due on borrowings	8.00	7.97
Creditors for Capital Expenditure	155.66	180.35
Creditors for Expenses	1,529.74	1,522.85
<b>Employee Related Liabilities</b>		
Salaries and Wages payable	73.49	66.69
Other Employee related payments	33.89	32.50
<b>Total</b>	<b>2,541.74</b>	<b>2,136.04</b>

**24 Other Current Liabilities**

Particulars	As At March 31, 2021	As At March 31, 2020
Audit Fee Payable	3.00	2.95
Electricity Expenses Payable	231.58	251.09
Statutory dues payable	260.69	119.01
Other Liabilities	170.68	78.29
Deferred Income	18.00	21.00
<b>Total</b>	<b>683.95</b>	<b>472.34</b>

**25 Provisions**

Particulars	As At March 31, 2021	As At March 31, 2020
Provision for Gratuity	32.74	22.21
Provision for Leave encashment	1.92	2.39
Provision for Income Tax ( Net of advance tax )	134.35	116.58
<b>Total</b>	<b>169.01</b>	<b>141.18</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

26 Revenue from Operations

Particulars	(All amounts in Lacs)	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Sale of Products ( Net of Sales Returns )	23,150.21	17,370.03
Less :- Indirect Taxes	3,462.48	2,467.00
<b>Total</b>	<b>19,687.73</b>	<b>14,903.03</b>

27 Other Income

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest received on deposits with banks and others	87.65	162.50
Misc Receipt	11.29	12.41
Profit/(Loss ) on sale of Assets	0.69	-
Dividend Income	0.15	0.18
Duty Draw back	7.23	0.39
Balance Written back	-	0.18
Gain/loss on foreign Fluctuation	1.49	-
LTCG on Sale of Shares	3.51	-
<b>Total</b>	<b>112.01</b>	<b>175.66</b>

28 Cost of materials consumed

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Raw material and components consumed</b>		
Inventory at the beginning of the year-Raw Materials	1,227.03	1,177.87
Inventory at the beginning of the year-Stores ,Spares, Packing Material	318.84	205.86
	<b>1,545.87</b>	<b>1,383.73</b>
<b>Purchases</b>		
Raw Materials includes stores , spares and packing material etc.	12,054.13	8,908.87
	<b>12,054.13</b>	<b>8,908.87</b>
Less: Inventory at the end of the year - Raw Materials	1,396.32	1,227.03
Less: Inventory at the end of the year- Stores ,Spares and Packing Material	323.78	318.84
<b>Total</b>	<b>11,879.90</b>	<b>8,746.73</b>

28(a) Changes in inventories of finished goods , Work in progress and stock in trade

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
1. Opening inventories		
Work in Progress	3,652.26	3,567.03
Finished Goods	57.21	73.85
2. Closing inventories		
Work in Progress	3,535.63	3,652.26
Finished Goods	57.83	57.21
	<b>116.01</b>	<b>(68.59)</b>

**29 Employee Benefits Expense**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries and wages	710.36	746.53
Director Remuneration	210.36	205.86
Contribution to Provident and ESI Funds	61.29	66.99
Bonus and Incentives	133.86	102.05
Staff Welfare Expenses	29.49	30.87
Group Gratuity & Earned Leave	31.48	46.84
Other Expenses	12.80	17.15
<b>Total</b>	<b>1,189.64</b>	<b>1,216.29</b>

**30 Finance Cost**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest Expenses	526.74	519.65
Other Borrowing Costs	104.42	68.09
<b>Total</b>	<b>631.16</b>	<b>587.74</b>

**31 Depreciation and amortisation expenses**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Property , Plant and Equipment	725.66	672.24
Other Intangible Assets	19.99	5.00
<b>Total</b>	<b>745.65</b>	<b>677.24</b>

**32 Other expenses**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>(a) Manufacturing Expenses</b>		
Cartage & Forwarding	5.63	9.70
Power & Fuel	2,049.78	1,450.84
Contractual Job Work Expenses	432.86	151.92
Repair & Maintenance		
– Building	9.42	3.51
– Machinery	39.02	43.01
Workshop Expenses	808.58	671.50
Caliberation Expenses	3.16	2.02
Factory Rent	1.80	1.80
Other Manufacturing Expenses	46.36	30.55
	<b>3,396.61</b>	<b>2,364.85</b>
<b>(b) Administrative &amp; Selling Expenses</b>		
Payment to Auditors*	13.64	14.24
Rates & Taxes	3.58	5.39
Directors' Sitting Fees	14.75	10.50
Insurance	37.54	26.55
Legal & Professional Charges	64.40	60.40
Communication Expenses	6.36	6.94
Printing & Stationery	9.62	8.49
Vehicle Running Expenses	39.21	33.93
Travelling & Conveyance Expenses	22.60	72.36
ROC Expenses	0.26	0.17

Advertisement Expenses	1.20	1.51
Rebates and Discount	163.80	213.72
Freight Outward	356.44	198.60
Repairs and Maintenance others	3.55	1.98
Security expenses	43.76	36.28
CSR Expenses	29.82	19.81
Bad Debts	108.95	3.58
Other Misc. Expenses	124.03	89.19
<b>Total</b>	<b>4,440.12</b>	<b>3,168.49</b>

**\*Detail of Payment to Auditors**

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Audit Fee (Statutory and Tax Audit Fees)	12.00	12.00
Out of Pocket Expenses	1.64	2.24
<b>Total</b>	<b>13.64</b>	<b>14.24</b>

**33 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Net Profit after tax attributable to equity share holders</b>	<b>551.57</b>	<b>544.07</b>
Weighted average no of equity shares outstanding during the year- for		
Basic EPS	177.35	177.35
Face value of Equity Share ( INR )	10.00	10.00
Basic EPS	3.11	3.07
No of Equity Shares outstanding during the year - for Diluted EPS	178.34	178.78
Diluted EPS	3.09	3.04

**34 Current Tax and Deferred Tax**

(All amounts in Lacs)		
Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Current Tax:</b>		
Current income tax:	205.21	184.02
Adjustments in respect of current income tax of previous period	13.77	-
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	26.71	22.70
<b>Total</b>	<b>245.69</b>	<b>206.72</b>
( in Lac's )		
Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>Current Tax</b>	-	-
<b>Deferred Tax</b>		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### 35 Related party transactions

#### a) Related party and nature of the related party relationship with whom transactions have taken place during the year

##### A) Directors and Key Management Personnel

Mr. Harpreet Singh Nibber - Managing Director  
 Mr. Raminder Singh Nibber - Chairman  
 Mr. Ajay Kumar - Executive Director  
 Mr. Narinder Kumar Tyagi - C.F.O  
 Mr. Chander Bhan Gupta - Company Secretary  
 Mrs. Neha- Independent Director  
 Mr. Subramaniam Bala- Independent Director (appointed w.e.f. 29/8/2020)  
 Mr. Yudhisthir Lal Madan- Independent Director  
 Mr Neeraj Bajaj - Independent Director (ceased w.e.f. 4/1/2021)

##### B) Subsidiary Companies

Pritika Engineering Components Private Limited

##### C) Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

Pritika Industries Limited

( in Lac's )

Nature of Transactions During the year	Related Parties					
	Referred in A Above		Referred in B Above		Referred in C Above	
Income	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sales net of tax	-	-	57.98	88.77	9,152.44	6,444.18
Interest received	-	-	-	30.71	-	-
Expenditure						
Purchases	-	-	267.97	194.21	2,272.89	1,475.61
Director Remunerations	210.36	205.86	-	-	-	-
Director Sitting Fees to independent Directors	14.75	10.50	-	-	-	-
Salary to KMP's	34.61	37.65	-	-	-	-
Investment made	-	-	685.00	-	-	-
Balance as at 31st March, 2021 Debit / ( Credit )	-	-	509.97	457.47	4,563.27	3,627.67
Corporate Guarantee given Balance at 31st March 2021	-	-	2,359.00	1,586.00	-	-
Loan & Advances	-	-	-	-	-	-
Loan taken						
Loan taken during the year	-	-	-	-	-	-
Repayment of Loan during the year	-	-	-	-	-	-
Loan Given						
Loan given during the year	-	-	176.00	127.64	-	-
Conversion of Loan into Equity Shares	-	-	685.00	-	-	-
Repayment of Loan during the year	-	-	1.14	-	-	-
Loan balance as at 31st March, 2021 Debit/(Credit)	(14.16)	(14.16)	-	510.14	-	-



### 36 Disclosure pursuant to IND AS 19 on Employee benefit

The Company has a defined gratuity plan covering eligible employees. The following table summarizes the components of net benefit expenses recognized in the Statement of Profit and Loss and the funded status and amount recognized in the Balancesheet.

#### Assets and liabilities Balance sheets position

( in Lac's )

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Present value of obligation	182.58	155.03
Fair value of Plan Assets Assets		
Surplus/( Deficit)	(182.58)	(155.03)
Effects of asset ceiling if any		
<b>Net Asset/ Liability</b>	<b>(182.58)</b>	<b>(155.03)</b>

#### Changes in the Present Value of Obligation

( in Lac's )

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Present Value of Obligation as at the beginning	155.03	143.18
Current Service Cost	20.87	20.50
Interest Expense or Cost	10.61	11.05
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	-	(0.11)
change in financial assumptions	0.95	(1.84)
experience variance (i.e. Actual experience vs assumptions)	3.12	(5.25)
others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(8.00)	(12.50)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
<b>Present Value of Obligation as at the end</b>	<b>182.58</b>	<b>155.03</b>

#### Actuarial Assumptions:

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salary Growth	5.00%	5.00%
Discount Rate	6.80%	6.85%

#### Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Current Liability (Short term)	32.74	22.21
Non-Current Liability (Long term)	149.84	132.82
<b>Present Value of Obligation</b>	<b>182.58</b>	<b>155.03</b>

#### Expenses Recognised in the Income Statement

( in Lac's )

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Current Service Cost	20.87	20.50
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	10.61	11.05
<b>Expenses Recognised in the Income Statement</b>	<b>31.48</b>	<b>31.55</b>

#### Other Comprehensive Income

( in Lac's )

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Actuarial (gains) / losses		
change in demographic assumptions	-	(0.11)
change in financial assumptions	0.95	(1.83)
experience variance (i.e. Actual experience vs assumptions)	3.11	(5.24)
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>4.06</b>	<b>(7.18)</b>

### 37 Fair values

The carrying value and fair value of financial instruments by category:

#### Assets and liabilities carried at amortised cost

(All amounts in Lacs)

Particulars	Carrying Value		Fair Value	
	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
<b>Financial assets</b>				
Investment	1345.28	663.61	1,523.60	693.24
Other financial assets	13.75	648.54	13.75	648.54
Trade Receivables	6,275.23	4,592.13	6,275.23	4,592.13
Cash and cash equivalents	31.83	129.79	31.83	129.79
Bank balances other than cash and cash equivalents	246.42	88.23	246.42	88.23
Other Current financial assets	1,277.45	1,319.41	1,277.45	1,319.41
<b>Total</b>	<b>9,189.96</b>	<b>7,441.71</b>	<b>9,368.28</b>	<b>7,471.34</b>
<b>Financial liabilities</b>				
Borrowings	5,556.30	4,962.76	5,556.30	4,962.76
Trade Payables	2,019.91	1,512.28	2,019.91	1,512.28
Other Financial Liabilities	2,541.74	2,136.04	2,541.74	2,136.04
<b>Total</b>	<b>10,117.95</b>	<b>8,611.08</b>	<b>10,117.95</b>	<b>8,611.08</b>

There are no assets and liabilities which have been carried at fair value through the profit and loss account.

There are no assets and liabilities which have been carried at fair value through the other comprehensive income except investment in shares and mutual fund.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### 38 Capital Management

The company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital deployment.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirement are met through equity and long-term/ short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity ratio and maturity of the overall debt portfolio of the Company.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021.

( in Lac's )

Particulars	As At March 31, 2021	As At March 31, 2020
Debt	6,241.14	5,219.32
Less: cash and cash equivalents	(278.25)	(218.02)
<b>Net Debt (A)</b>	<b>5,962.89</b>	<b>5,001.30</b>
<b>Equity (B)</b>	<b>12,696.23</b>	<b>11,998.12</b>
<b>Gearing ratio (A/B)</b>	<b>0.47</b>	<b>0.42</b>

### 39 Commitments and Contingencies

Particulars	As At March 31, 2021	As At March 31, 2020
<b>(a) Contingent Liabilities :</b>		
Claim against the Company not acknowledged as debts*		
- Income Tax	54.14	44.86
- Letter of credit	320.00	196.94
Guarantees issued by Banks	153.21	193.21
- Corporate guarantee to bank /NBFCs on behalf of subsidiary of the Company	2,359.00	1,586.00

40 The Company adopted Ind AS 116 effective annual reporting beginning April 1, 2019. The Company applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the company did not restate comparative information, instead, the cumulative effect of initially applying this standard, recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company recognized a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognized at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

41 The Covid-19 pandemic has impacted the businesses around the world, including India. There has been severe disruption to the regular operations of the Company in the First quarter of FY 2020-21 due to Government imposed emergency restrictions and lockdown. The company has assessed the impact on liquidity position and carrying amounts of inventories, trade receivables, investments, property, plant and equipment and other financial assets. Our assessment based on estimates and judgements, available from internal and external sources of information including economic forecasts does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date. The Company will continue to monitor the future economic conditions and assess its impact on the financial statements. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the Standalone financial statements.

#### 42 Details of CSR Expenditure

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
a. Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with Schedule VII	26.16	21.20
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	29.82	19.81

**Note :** Due to Covid-19 pandemic an amount of Rs. 3 lacs remained unspent during the last year which was spent during the current year to complete the projects undertaken by the Company during 2019-20.

43 The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

#### 44 Foreign Exchange Earnings and Outgo

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Earning in Foreign Exchange	496.19	60.36
Outgo in Foreign Exchange	21.36	4.17

45 Previous year's figures have been restated, rearranged and regrouped, wherever considered necessary.

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

For and on behalf of Board of Directors

Sd/-  
S.K Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
(Managing Director)  
DIN No. 00239042

Sd/-  
Raminder Singh Nibber  
(Chairman)  
DIN No. 00239117

Place: Mohali  
Date: 16-06-2021

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of PRITIKA AUTO INDUSTRIES LIMITED**

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **PRITIKA AUTO INDUSTRIES LIMITED** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March 2021 and the consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of Changes in Equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of significant accounting policies (hereinafter referred to as 'the consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the group as at 31<sup>st</sup> March 2021, and its consolidated profit including other comprehensive profit, consolidated cash flows and consolidated statement of change in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing 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 Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in company's annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India,

including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the company's financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Standard on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As Part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities including in the Consolidated Ind AS financial statements of which we are the independent auditors, 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.

### **Other Matter**

We did not audit of financial statements of **One** subsidiary, whose Ind AS financial statements reflect total assets of Rs 5594.25 lakhs as at 31<sup>st</sup> March, 2021 and the total revenue of Rs 3207.15 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statement has been audited by other auditor, which financial statement and auditors report has been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs 35.41 lakhs for the year ended 31<sup>st</sup> March 2021, as considered in the consolidated Ind AS financial statements, in respect **One** subsidiary, whose financial statement has not been audited by us. These financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub section (3) of section 143 of the Companies Act, 2013 in so far as it relates to the aforesaid subsidiary is based solely on the reports of the auditor.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

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

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. We/the other auditor whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including statement of Other Comprehensive Income, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e. On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2021, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March 2021, from being

appointed as a director in terms of section 164(2) of the Act.

- f. With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding company, refer to our separate report in “**Annexure 1**”; and
- g. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the “Other matter” paragraph:
  - i. There were no pending litigations which would impact the consolidated financial position of the group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

**For Sunil Kumar Gupta & Co.**  
Chartered Accountants  
Firm's Registration No.: 003645N

Sd/-  
**S.K Gupta**  
Partner  
Membership No: 082486

Place: Mohali  
Date: 16<sup>th</sup> June, 2021  
UDIN: 21082486AAAAAM3036

## **Annexure – 1 TO INDEPENDENT AUDITORS' REPORT**

**(Annexure referred to in our report of even date to the members of Pritika Auto Industries Limited, on the Consolidated Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2021).**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of **Pritika Auto Industries Limited** as of and for the year ended March 31, 2021. We have audited the internal financial controls over financial reporting of **PRITIKA AUTO INDUSTRIES LIMITED** (hereinafter referred to as the “Holding Company”) as of 31<sup>st</sup> March 2021.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements 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 with reference to these consolidated financial statements 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 with Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with Reference to these Consolidated Financial Statements, 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 with Reference to these Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with Reference to these Consolidated Financial Statements 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 Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with Reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with Reference to these Consolidated Financial Statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding 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).

### **For Sunil Kumar Gupta & Co.**

Chartered Accountants  
Firm's Registration No.: 003645N

Sd/-

**S.K Gupta**

Partner  
Membership No: 082486

Place: Mohali

Date: 16<sup>th</sup> June, 2021

UDIN: 21082486AAAAAM3036

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(All amounts in Lacs)

Particulars	Note No.	As At March 31, 2021	As At March 31, 2020
<b>I. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3	10,107.66	8,246.65
(b) Capital work in progress	3	1,052.52	1,459.23
(c) Intangible Assets		-	
Goodwill	4	1,354.77	1,354.77
(d) Financial Assets			
- Investments	5	603.94	362.00
- Other financial assets	6	28.75	138.41
(e) Deferred Tax Assets (net)	7	64.25	127.21
(f) Other Non-Current Assets	8	104.69	98.74
<b>Total Non Current Assets (A)</b>		<b>13,316.58</b>	<b>11,787.01</b>
<b>2. Current Assets</b>			
(a) Inventories	9	6,298.22	5,811.09
(b) Financial Assets			
- Trade Receivables	10	6,392.49	4,640.41
- Cash and Cash Equivalents	11	39.99	132.64
- Bank balances other than cash and cash equivalents	12	331.10	132.10
- Other Current Financial Assets	13	1,179.10	1,331.70
(c) Other Current Assets	14	441.31	432.85
<b>Total Current Assets (B)</b>		<b>14,682.21</b>	<b>12,480.79</b>
<b>TOTAL ASSETS ( A+ B)</b>		<b>27,998.79</b>	<b>24,267.80</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	1,773.45	1,773.45
(b) Other Equity	16	10,997.11	10,263.42
<b>Total Equity (A)</b>		<b>12,770.56</b>	<b>12,036.87</b>
<b>2. Non Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	17	3,628.70	2,231.92
(b) Provisions	18	168.41	153.22
(c) Deferred Tax Liabilities ( net )	19	254.66	200.87
(d) Other non-current liabilities	20	763.27	585.05
<b>Total Non Current Liabilities ( B)</b>		<b>4,815.04</b>	<b>3,171.06</b>
<b>3. Current Liabilities</b>			
(a) Financial Liabilities			
- Borrowings	21	4,002.42	4,180.71
- Trade Payables	22		
Total Outstanding dues of micro enterprise and small enterprise			
Total Outstanding dues of creditors other than micro enterprise and small enterprise		2,388.66	1,715.38
- Other Financial Liabilities	23	3,086.10	2,511.10
( b) Other Current Liabilities	24	769.63	511.84
( c ) Provisions	25	166.38	140.84
<b>Total Current Liabilities ( C )</b>		<b>10,413.19</b>	<b>9,059.87</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>27,998.79</b>	<b>24,267.80</b>
<b>Significant Accounting Policies</b>			
<b>The accompanying notes are integral part of the financial statements</b>			

As per our report of even date  
For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

Sd/-  
S.K Gupta  
Partner  
Membership no.: 082486

Place: Mohali  
Date : 16-06-2021

For and on behalf of Board of Directors

Sd/-  
Harpreet Singh Nibber  
( Managing Director )  
DIN No. 00239042

Sd/-  
Raminder Singh Nibber  
( Chairman )  
DIN No. 00239117

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Lacs)			
Particulars	Note	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Revenue from operations	26	22,568.93	16,795.18
II Other Income	27	149.21	149.51
<b>III Total Income ( I+II)</b>		<b>22,718.14</b>	<b>16,944.69</b>
<b>IV Expenses</b>			
a) Cost of material consumed	28	13,598.94	9,750.93
b) Changes in inventories of finished goods , Work in progress and stock in trade	28(a)	(123.04)	(108.35)
c) Excise Duty		-	-
d) Employee benefits expense	29	1,359.20	1,388.93
e) Finance costs	30	821.69	726.61
f) Depreciation and amortization expense	31	849.78	755.42
g) Other Expenses	32	5,356.06	3,665.21
<b>Total Expenses (IV)</b>		<b>21,862.63</b>	<b>16,178.75</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>855.51</b>	<b>765.94</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit / (Loss) before tax</b>		<b>855.51</b>	<b>765.94</b>
<b>VIII Tax Expense:</b>			
a) Current Tax	34	207.97	184.02
b) Adjustment of tax relating to earlier periods		13.77	0.20
c) Deferred Tax	34	46.77	23.87
<b>Total tax expenses ( VIII )</b>		<b>268.51</b>	<b>208.09</b>
<b>IX Profit / (Loss ) for the period</b>		<b>587.00</b>	<b>557.85</b>
<b>X Other comprehensive income</b>			
Items that will not to be reclassified to profit or loss			
Re-measurement Loss/ (Gain) on defined benefit plans		(4.06)	7.18
Revaluation Loss/ (Gain) due to Foreign exchange		1.91	(3.69)
Impact of fair valuation of Equity Shares		148.85	57.75
<b>XI Total comprehensive Income for the period ( IX + X )</b>		<b>733.70</b>	<b>619.09</b>
<b>Earnings per equity share( Nominal value of Rs. 10/- per share )</b>			
Basic	33	3.31	3.15
Diluted	33	3.29	3.12

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

For and on behalf of the Board of directors

Sd/-  
S.K Gupta  
Partner  
Membership no.: 082486

Sd/-  
Harpreet Singh Nibber  
( Managing Director )  
DIN No. 00239042

Sd/-  
Raminder Singh Nibber  
( Chairman )  
DIN No. 00239117

Place: Mohali  
Date : 16-06-2021

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021**

*(All amounts in Lacs)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of Profit & Loss	855.51	765.95
<b>Adjustments for:</b>		
- Depreciation and amortisation expense	849.78	755.42
- Finance costs	821.69	726.61
- Gratuity / Leave encashment Provision	29.84	46.84
- Creditors balance written back	-	(0.18)
- Forex fluctuation	(1.49)	
- Profit on Sale of Fixed Assets	(0.69)	-
<b>Operating profit before working capital changes</b>	<b>2,554.64</b>	<b>2,294.64</b>
<b>Adjustments for :</b>		
Increase/(Decrease) in Trade Payables	673.28	(281.20)
Increase/(Decrease) in Other Current Liabilities	1,012.10	(8.13)
Increase/(Decrease) in Provisions	(1.82)	9.46
(Increase) / Decrease in Trade Receivables	(1,752.07)	102.81
(Increase) / Decrease in Inventories	(487.13)	(217.78)
(Increase) / Decrease in Other Current Assets	(8.46)	57.41
(Increase) / Decrease in Other Assets	256.30	352.39
<b>Cash generated from operations</b>	<b>2,246.84</b>	<b>2,309.60</b>
Taxes paid	(133.36)	(398.13)
<b>Net Cash from Operating Activities</b>	<b>2,113.48</b>	<b>1,911.47</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(2,432.57)	(1,653.02)
Movement in fixed deposits (having original maturity of more than three months)	(199.00)	(3.12)
Increase in investment in shares	-	(281.26)
Sale of Shares	28.66	-
<b>Net Cash Used used in Investing Activities</b>	<b>(2,602.91)</b>	<b>(1,937.40)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Loans Raised (Net)	1,396.74	(98.30)
Short Term Loans Repaid (Net)	(178.26)	930.51
Increase in Share Capital	-	-
Proceed from issue of share warrant	-	-
Share premium	-	-
Interest Paid	(821.69)	(726.61)
<b>Net Cash from Financing Activities</b>	<b>396.78</b>	<b>105.60</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(92.65)</b>	<b>79.67</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>132.64</b>	<b>52.97</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>39.99</b>	<b>132.64</b>

**Notes:**

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow".
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

Sd/-  
S.K Gupta  
Partner  
Membership no.: 082486

Sd/-  
Harpreet Singh Nibber  
( Managing Director )  
DIN NO.00239042

Sd/-  
Raminder Singh Nibber  
( Chairman )  
DIN No. 00239117

Place: Mohali  
Date : 16-06-2021

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232

**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

(All amounts in Lacs)						
A. Equity Share Capital						
Particulars	Balance as on April 1, 2019	Changes during the year	Balance as on March 31, 2020	Balance as on April 1, 2020	Changes during the year	Balance as on 31 March 2021
a) <b>Authorised Share Capital</b>						
3,65,00,000 (PY 3,65,00,000) Equity shares of Rs.10/- each	3,650.00	-	3,650.00	3,650.00	-	3,650.00
	3,650.00	-	3,650.00	3,650.00	-	3,650.00
b) <b>Issued, Subscribed And Fully Paid Up</b>						
1,77,34,500 (PY 1,77,34,500) Equity shares of Rs.10/- each	1,773.45	-	1,773.45	1,773.45	-	1,773.45
	1,773.45	-	1,773.45	1,773.45	-	1,773.45
B. Other Equity						
Particulars	Equity component of compound financial instruments.	Share Warrant	Reserves and Surplus		Total	
			Securities premium	Capital Reserve		
<b>Balance as at April 1, 2019</b>						
Balance at the beginning of the reporting period	-	287.50	5,369.97	1,604.90	2,505.31	9,767.68
Profit / Addition during the year				-	557.85	557.85
Transfer to retained earnings					(106.89)	(106.89)
Mat Adjustment	-	-			(16.46)	(16.46)
Transfer from Other comprehensive income to retained earning	-	-	-	-	61.24	61.24
<b>Balance as at March 31 , 2020</b>	-	287.50	5,369.97	1,604.90	3,001.05	10,263.42
<b>Balance as at April 1, 2020</b>						
Balance at the beginning of the reporting period	-	287.50	5,369.97	1,604.90	3,001.05	10,263.42
Profit / Addition during the year	-	(287.50)	-	-	587.00	587.00
Trf to Capital reserve				287.50	-	-
Mat Adjustment	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	146.70	146.70
<b>Balance as at March 31 , 2021</b>	-	-	5,369.97	1,892.40	3,734.75	10,997.11

For and on behalf of Board of Directors

As per our report of even date  
For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

Sd/- S.K Gupta Partner Membership no.: 082486	Sd/- Harpreet Singh Nibber ( Managing Director ) DIN No. 00239042	Sd/- Raminder Singh Nibber ( Chairman ) DIN No. 00239117
Place: Mohali Date : 16-06-2021	Sd/- Narinder Kumar Tyagi C.F.O	Sd/- Chander Bhan Gupta Company Secretary M.No. F2232

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note No. 1: Notes to the Financial Statement

#### 1 GENERAL INFORMATION

Pritika Auto Industries Limited ("the Company") a Listed company domiciled in India was incorporated on 11.04.1980 and is engaged in the manufacturing of tractor and automobile components. The financial statements were approved for issue by the board of directors on June 16, 2021.

### Note No. 2 : SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation of Financial Statements

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') specified under Section 133 of the Companies Act, 2013 ('Act') the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The Financial Statements have been prepared on historical basis, except certain financial assets and liabilities which are recognised at fair value at the end of the reporting period and on an accrual basis as a going concern. The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the Currency of the primary economic environment in which the Company operates.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current- non current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

The subsidiary companies considered in these consolidated financial statements are as follows:

Name of the Company	Proportion of Ownership
Pritika Engineering Components Private Limited	Wholly owned Subsidiary

#### 2.2 Principles of consolidation:

The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line-by-line basis by adding together like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits/ losses unless the transaction provides evidence of an impairment of the transferred asset.

#### 2.3 Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Financial Statements. The actual amounts may differ from the estimates used in the preparation of the Financial Statements and the difference between actual results and the estimates are recognised in the period in which the results are known/ materialise.

#### 2.4 Fair Value Measurement

"The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be

received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability take place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

## **Non-derivative financial instruments**

### **1. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **2. Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income. Financial instruments (unquoted instruments) subsequent measurement are done through fair value through other comprehensive income (FVTOCI)

### **3. Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities are measured at amortised cost using the effective interest method.

## **2.5 Property, Plant and Equipment (PPE)**

Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are recorded at cost less accumulated depreciation. The cost of acquisition of property, plant and equipment is net of duty or tax credit availed and includes purchase cost or its construction cost, inward freight and other expenses incidental to acquisition or installation and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Cost of spares relating to specific item of an asset is capitalized. For major projects, interest and other costs incurred on / related to borrowings attributable to such projects / fixed assets during construction period and related pre-operative expenses are capitalized as part of the cost of respective assets. Cost of assets not ready to use before such date are disclosed under "Capital Work-in-Progress".



The residual values, useful life and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets at the rates prescribed under Schedule II of the Companies Act, 2013

#### **Asset Useful live**

Buildings including factory buildings	30 years
General Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers /servers and Network	3/6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

#### **2.6 Intangible assets**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss. The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

#### **Asset Useful life**

Computer software	3 years
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The estimated useful life is reviewed annually by the management.

#### **2.7 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

#### **2.8 Impairment**

All assets other than Inventories and Investments are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount of those assets may not be fully recoverable, in such cases the carrying amount of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss.

#### **2.8 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### **Cash flow statement**

'Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

## **2.9 Investments**

All Investments are carried at fair value. Investments, which at the inception, have been designated to be held for a long term capital appreciation, the changes in the fair value are considered through Other Comprehensive Income. All other investments are valued at fair value and the gains or losses being recognised in Statement of Profit and Loss.

## **2.10 Inventories**

Inventories are valued at lower of cost (First in First out) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and net off recoverable taxes incurred in bringing them to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## **2.11 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/Goods and Service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity/ services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### **Sale of goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold

the amount of revenue can be measured reliably;

it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Interest Income**

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding

and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

## **Dividend**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

## **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Export benefits, incentives and licenses: Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

## **2.12 Operating leases including investment properties**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **As a lessee**

#### **a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset."

#### **b) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

#### **c) Short-term leases and leases of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over

the lease term.

### **As a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income."

## **2.13 Employee benefit expenses**

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and compensated absences.

### **(i) Post-employment benefit plans**

#### **Defined Contribution plans**

"Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan for qualifying employees. The provident fund is deposited with the Provident Fund Commissioner which is recognized by the Income Tax authorities."

#### **Defined benefit plans**

The Company operates various defined benefit plans- gratuity fund and Compensated absence.

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income/ (expense) on the net defined benefit liability or as set is recognised in the Statement of Profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment of encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

### **2.3.13 Foreign currency translation**

The functional currency of the Company is Indian rupee. On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

### **2.14 Borrowing cost**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

### **2.15 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### **Current tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

#### **Deferred tax**

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### **2.16 Accounting of provisions, contingent liabilities and contingent assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable



that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

## **2.17 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## **2.18 Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

## **2.19 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

### 3. Property, Plant and Equipment

(All amounts in Lacs)

Particulars	Air Conditioner	Computers	D.G Set	Furniture & Fixtures	Office Equipment	Vehicle	Weigh Bridge	Free hold Land	Building	Electric Fitting	Pattern	High Life Tool	Jigs and Fixture	Plant & Machinery	Building Other Than Factory Building	Leased Assets	Total	Building under Construction	Capital Work in Progress	Total CWIP
<b>Cost or Deemed Cost</b>																				
At April 1, 2019	3.66	8.61	62.43	18.41	46.04	263.49	0.88	1,044.32	1,235.09	427.79	917.72	40.18	913.21	4,506.29	23.82	-	9,301.94	105.29	782.66	887.95
Addition/ Adjustment	1.09	8.67	-	3.94	2.46	-	0.65	-	6.39	41.90	360.57	3.17	486.73	262.10	-	79.96	1,257.63	106.99	689.06	796.06
Transfer / Sale	-	-	-	-	-	-	-	-	-	(4.20)	-	-	(137.14)	-	-	-	(141.34)	-	(224.77)	(224.77)
At March 31, 2020	4.75	17.28	62.43	22.35	48.50	263.49	1.53	1,044.32	1,241.48	460.49	1,273.29	43.35	1,262.80	4,768.39	23.82	79.96	10,618.23	212.28	1,246.95	1,459.23
At April 1, 2020	4.75	17.28	62.43	22.35	48.50	263.49	1.53	1,044.32	1,241.48	460.49	1,273.29	43.35	1,262.80	4,768.39	23.82	79.96	10,618.23	212.28	1,246.95	1,459.23
Addition/ Adjustment	1.32	13.32	-	1.59	6.97	31.78	-	102.57	475.26	47.69	150.84	3.20	328.98	1,356.32	-	-	2,720.04	33.80	1,311.56	1,345.36
Transfer / Sale	-	-	-	-	-	(9.73)	-	-	-	-	-	-	-	(31.90)	-	-	(41.63)	(221.81)	(1,530.26)	(1,752.07)
At March 31, 2021	6.27	30.60	62.43	23.94	55.47	285.54	1.53	1,146.89	1,716.74	508.18	1,424.13	46.55	1,591.78	6,292.81	23.82	79.96	13,296.64	24.27	1,028.25	1,052.52
<b>Depreciation and Impairment</b>																				
At April 1, 2019	2.52	2.77	21.94	5.87	8.43	61.10	0.73	-	115.90	119.93	138.76	9.12	111.03	1,059.86	3.54	-	1,661.50	-	-	-
Addition	0.27	3.26	7.85	1.75	8.19	28.80	0.04	-	45.51	38.96	83.82	5.59	92.08	433.29	1.01	5.00	755.42	-	-	-
Transfer / Sale	-	-	-	-	-	-	-	-	-	(0.23)	-	-	(45.11)	-	-	-	(45.34)	-	-	-
At March 31, 2020	2.79	6.03	29.79	7.62	16.62	89.90	0.77	-	161.41	158.66	222.58	14.71	158.00	1,493.15	4.55	5.00	2,371.58	-	-	-
At April 1, 2020	2.79	6.03	29.79	7.62	16.62	89.90	0.77	-	161.41	158.66	222.58	14.71	158.00	1,493.15	4.55	5.00	2,371.58	-	-	-
Addition	0.58	6.92	4.65	2.03	8.62	27.28	0.06	-	49.88	40.16	130.30	4.55	127.54	425.95	1.07	19.99	849.78	-	-	-
Transfer / Sale	-	-	-	-	(6.33)	-	-	-	-	-	-	-	-	(26.05)	-	-	(32.38)	-	-	-
At March 31, 2021	3.37	12.95	34.44	9.65	25.24	110.85	0.83	-	211.29	198.82	353.08	19.26	285.54	1,893.05	5.62	24.99	3,188.98	-	-	-
<b>Net Carrying Amount as on 31/03/2020</b>	1.96	11.25	32.64	14.73	31.88	173.59	0.76	1,044.32	1,080.07	301.83	1,050.71	28.64	1,104.80	3,275.24	19.27	74.96	8,346.65	212.28	1,246.95	1,459.23
<b>Net Carrying Amount as on 31/03/2021</b>	2.90	17.65	27.99	14.29	30.23	174.69	0.70	1,146.89	1,305.45	399.36	1,071.05	27.29	1,306.24	4,399.76	18.20	54.97	10,107.66	24.27	1,028.25	1,052.52

\* During the last year Prithika Autocast Limited ( Transferor Company ) has been amalgamated with Prithika Auto Industries Limited ( Transferee Company ) vide order dated 06 th February 2019 . The updation of name of Prithika Auto Industries limited on title of properties in the name of Prithika Autocast Limited is under process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts in Lacs)

4 Goodwill

Particulars	As At March 31, 2021	As At March 31, 2020
Goodwill	1,354.77	1,354.77
<b>Total</b>	<b>1,354.77</b>	<b>1,354.77</b>

5 Investments

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Investments carried at Fair Value through Other Comprehensive Income (FVOCI)</b>		
<b>Investments in Equity Instruments fully paid up (Unquoted)</b>		
Shivalik Solid Waste Management Limited ( 10,000 , PY 10,000 Equity shares of Rs. 10/-each )	1.00	1.00
<b>Investments in Equity Instruments (quoted)</b>		
Ajooni Biotech Limited (18,92,240 PY 18,75,000 Equity Shares of Rs 10 /- each)	575.24	337.50
<b>Investments in Mutual Fund- Canara bank Robeco</b>	<b>27.70</b>	<b>23.50</b>
<b>Total</b>	<b>603.94</b>	<b>362.00</b>
Aggregate book value/Market value of unquoted investments	1.00	1.00
Aggregate market value of Mutual Fund Investment	27.70	23.50
Aggregate market value of quoted investments	575.24	337.50

6 Other Financial Assets

Particulars	As At March 31, 2021	As At March 31, 2020
Bank deposits having original maturity more than 12 months	28.75	138.41
<b>Total</b>	<b>28.75</b>	<b>138.41</b>

7 Deferred tax assets(Net)

Particulars	As At March 31, 2021	As At March 31, 2020
Relating to origination and reversal of temporary differences *	64.25	127.21
<b>Total</b>	<b>64.25</b>	<b>127.21</b>

\* Note : Deferred Tax assets balance includes the balance of Mat credit entitlement of INR 1.89 ( As at March 2020 : INR 71.87 )

8 Other Non-Current Assets

Particulars	As At March 31, 2021	As At March 31, 2020
Unamortised Processing Cost	10.16	14.08
Security Deposits	94.53	84.66
<b>Total</b>	<b>104.69</b>	<b>98.74</b>

9 Inventories

Particulars	As At March 31, 2021	As At March 31, 2020
Raw Materials ( include in transit of INR 17.45 ( At March 31 , 2020 INR Nil )	1,814.26	1,472.95
Store & Spares	371.25	348.47
Work in Progress	4,054.87	3,932.46
Finished Goods	57.84	57.21
<b>Total Inventories are carried at lower of cost and net reliable value</b>	<b>6298.22</b>	<b>5,811.09</b>

#### 10 Trade Receivables

Particulars	As At March 31, 2021	As At March 31, 2020
Unsecured, Considered Good.	6,399.94	4,640.41
Less : Provision for Doubtful Debts	(7.45)	-
<b>Total</b>	<b>6,392.49</b>	<b>4,640.41</b>

Note : Trade receivables includes receivables from related parties . ( Please refer note no. 35 )

#### 11 Cash and Cash Equivalents

Particulars	As At March 31, 2021	As At March 31, 2020
Balances with banks		
- in current accounts	24.69	113.35
Cash on Hand ( including imprest )	15.30	19.29
<b>Total</b>	<b>39.99</b>	<b>132.64</b>

#### 12 Bank balances other than Cash and Cash Equivalents

Particulars	As At March 31, 2021	As At March 31, 2020
Investment in term deposits (With Original Maturity more than 3 months but less than 12 months( including interest accrued)	331.10	132.10
<b>Total</b>	<b>331.10</b>	<b>132.10</b>

#### 13 Other Current Financial Assets

Particulars	As At March 31, 2021	As At March 31, 2020
<u>Unsecured , Considered Good</u>		
Loan and advances others	1,154.96	1,325.49
Advance to Staff	24.14	6.21
<b>Total</b>	<b>1,179.10</b>	<b>1,331.70</b>

\* Note : Loan & Advances others includes receivables from related parties . ( Please refer note no. 35 )

#### 14 Other Current Assets

Particulars	As At March 31, 2021	As At March 31, 2020
<u>Unsecured , Considered good</u>		
Prepaid expenses	42.78	26.30
Balance with Govt. authorities	274.36	284.58
Other Receivable	31.86	43.86
Security Deposits	92.31	78.11
<b>Total</b>	<b>441.31</b>	<b>432.85</b>

#### 15 Equity Share Capital

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Authorised</b>		
3,65,00,000 (PY 3,65,00,000) Equity shares of Rs.10/- each	3,650.00	3,650.00
	<b>3,650.00</b>	<b>3,650.00</b>
<b>Issued, subscribed and fully paid-up</b>		
1,77,34,500 (PY 1,77,34,500 ) Equity shares of Rs.10/- each	1,773.45	1,773.45
<b>Total</b>	<b>1,773.45</b>	<b>1,773.45</b>

**(a) Reconciliation of shares outstanding at the beginning and at the end of the period**

Particulars	No of shares
<b>Equity Shares</b>	
At April 1, 2019	177.35
Add: Issued during the period	-
At March 31, 2020	177.35
Add: Issued during the period	-
At March 31, 2021	177.35

**(b) Term/right attached to equity shares:**

The Company has only one class of equity share having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of share held by each shareholder holding more than 5 % shares ;**

Particulars	As At March 31, 2021	As At March 31, 2021	As At March 31, 2020	As At March 31, 2020
	% of holding	No. of Shares	% of holding	No. of Shares
<b>Equity Shares</b>				
Harpreet Singh Nibber	11.59%	20.55	11.59%	20.55
Raminder Singh Nibber	6.60%	11.71	6.60%	11.71
Pritika Industries Limited	27.86%	49.41	27.86%	49.41
Rajesh Sadhwani	9.69%	17.32	9.76%	17.32
Tano Investment Opportunities Fund	9.68%	17.16	-	-

**16 Other Equity**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Retained Earnings</b>		
Opening balance <sup>1</sup>	3,001.05	2,505.31
Net Profit / (loss) for the year	587.00	557.85
Add / (Less) : Corporate Dividend	-	(88.67)
Add / (Less) : Mat Credit Adjustment	-	(16.46)
Add / (Less) : Corporate Dividend Tax	-	(18.22)
Add / (Less) : Other Comprehensive Income	146.70	61.24
<b>Closing balance</b>	<b>3,734.75</b>	<b>3,001.05</b>
<b>(B) Securities Premium</b>		
Opening Balance	5,369.97	5,369.97
Securities Premium during the year	-	-
<b>Closing balance (B)</b>	<b>5,369.97</b>	<b>5,369.97</b>
<b>(C) Capital reserve</b>		
Opening Balance	1,604.90	1,604.90
During the year	287.50	-
<b>Closing Capital Reserve</b>	<b>1,892.40</b>	<b>1,604.90</b>
<b>(D) Share Warrant</b>		
Opening balance	287.50	-
Share Warrant 5,75,000 ( PY 5,75,000 ) , Rs. 50 paid up of Rs. 200 each	-	287.50
Less : transfer to Capital Reserve	(287.50)	-
<b>Closing Balance</b>	<b>-</b>	<b>287.50</b>
<b>Total</b>	<b>10,997.11</b>	<b>10,263.42</b>

During FY 2018-19, the Company under section 42 and other applicable provisions of the Companies Act, 2013 has issued and allotted on preferential basis 5.75 lacs warrant at a price of Rs. 200 per warrant ( Rs. 50 Paid up ) to public ( non- promoters ) which will be converted into equivalent number of equity shares of Rs. 10 each at a premium of Rs. 190 per share on or before 20-07-2020 at the discretion of warrant holder . During the year , the Company forfeited the the share warrant amount due to non payment of the balance amount to be receivable from them on or before 20-07-2020 and the same has been transferred to the Capital reserve .



17 Borrowings

Particulars	As At March 31, 2021	As At March 31, 2020
<b>1. Term Loan</b>		
<b>(a) Secured</b>		
- From Banks	2,723.90	1,687.51
- From Financial Institutions / NBFC	759.88	360.73
<b>(b) Unsecured</b>		
- From Financial Institutions / NBFC	77.24	86.36
- From Banks	19.98	36.62
- From Directors	14.16	14.16
<b>2. Long Term Maturities of finance Lease obligations-Unsecured</b>	33.54	46.54
<b>Total</b>	<b>3,628.70</b>	<b>2,231.92</b>

**Note No.17: Details of Securities and Terms of Repayment**

**I. Secured : Term loans from Banks**

**Canara Bank**

Particulars	As At March 31, 2021	As At March 31, 2020
The Working Capital Term Loan of Rs. 720.00 Lacs repayable in 60 Monthly installments with moratorium period of 12 months. Rate of interest is 7.50% p.a. This loan is sanctioned under ECLGS facility of the National Credit Guarantee Trustee Company Limited. The credit facility will rank second charge with existing Plant and machinery and other fixed assets of Unit-I and pari passu charge with ICICI Bank in Unit-II the Company. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	720.00	-
The Term Loan of Rs 75 lacs repayable in 72 Installments of Rs 1.05 Lacs each and one monthly installment of 0.45 lacs excluding interest part. Current rate of interest is 12.75%. This loan is secured by first charge by way of hypothecation of all the moveable including Plant and Machinery and Equipments acquire / to be acquire under the project / Scheme. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	-	2.18
The Quasi Equity Loan of Rs. 220.00 lacs repayable in 72 Monthly Installments of Rs. 2.99 lacs each excluding interest part @ 12.65% having 12 month moratorium period. This loan is secured by first charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	17.96	36.67
The Working Capital Term Loan of Rs. 150.00 lacs repayable in 60 monthly instalment of Rs. 2.53 lacs each excluding interest part @ 9.55 %. This loan is secured by first charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	131.83	142.50
The Term Loan of Rs. 265.00 lacs repayable in 54 monthly installments of Rs. 2.89 lacs each excluding interest part @ 9.45%. This loan is secured by first charge by way of hypothecation of all the moveable including Plant and Machinery and Equipments acquire / to be acquire under the project / Scheme. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	170.58	176.66
The Working Capital Demand Loan of Rs. 130.00 lacs repayable in 24 monthly installments ( includes 6 months moratorium and 18 months repayment ) comprising 17 instalments of Rs. 7.20 lacs and 18th instalment of Rs. 7.60 lacs excluding interest part @ 7.65%. This loan is secured by Exclusive charge on Existing Plant and machinery and other fixed assets of the Company. This loan is also personally guaranteed by Directors Namely Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber.	93.89	-
The Term Loan of Rs 190 lacs repayable in 24 monthly Installments ( includes 6 months moratorium and 18 months repayment ) comprising of first 17 installments of Rs. 10.55 each and last one monthly installment of 10.65 lacs excluding interest part. Current rate of interest is 7.65%. This loan is given to provide liquidity support affected by Covid-19 under Canara Credit Support. It is secured by exclusive charge on Trade receivables, Inventories, other current assets and Plant and Machinery of the company including land & Building of Unit-I of the Company and Unit-II under pari passu with ICICI bank. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber.	179.45	-
The Vehicle loan of Rs 3.00 lacs repayable in 60 monthly installments of Rs 0.06 lacs each. Current rate of interest is 9.30%. This loan is secured against vehicle purchased out of the fund.	-	0.13

The Vehicle Loan of Rs 6.50 lacs repayable in 60 Installments of Rs.0.13 lacs each including interest part. Current rate of interest is 8.05%.This loan is secured against vehicle purchased out of the fund.	3.97	4.67
The Vehicle Loan of Rs 10.50 lacs repayable in 60 Installments of Rs.0.21 lacs each including interest part.Current rate of interest is 7.95%.This loan is secured against vehicle purchased out of the fund.	6.62	7.70
The Vehicle Loan of Rs 5.50 lacs repayable in 60 Installments of Rs.0.11 lacs each including interest part. Current rate of interest is 7.85%.This loan is secured against vehicle purchased out of the fund.	3.98	4.51
The Vehicle Loan of Rs.8.25 lacs repayable in 60 Monthly Installments of Rs.0.17 lacs each including interest part @8.40 %.This term loan is secured against vehicle purchase out of this fund.	5.09	5.80
The Vehicle Loan of Rs.50.00 lacs repayable in 60 Monthly Installments of Rs.1.25 lacs each including interest part @7.95%.This term loan is secured against vehicle purchase out of this fund.	9.78	17.19
The Vehicle loan of Rs 10.00 lacs repayable in 60 monthly installments of Rs 20.03 lacs each. Current rate of interest is 7.50%.This loan is secured against vehicle purchased out of the fund.	10.00	-
The Working Capital Term loan of Rs. 298 lacs repayable in 48 monthly installments including moratorium period of 1 year under Guaranteed Emergency Credit Line of the NCGTCL . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 7.50% p.a .	298.00	-
The Term loan of Rs. 1286 lacs repayable in 107 monthly installments .Current rate of interest is 8.35% p.a . This loan is secured by first charge of EMT of Factory land and building and hypothecation of Existing Plant and machineries except the machinery /equipment funded by other banks/NBFCs. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 23.59 Cr to Canara Bank .	1,206.73	1,210.05
The Vehicle Loan of Rs. 15.95 lacs repayable in 60 Monthly Installments of Rs. 0.32 lacs each including interest part @ 7.50 %.This term loan is secured against vehicle purchase out of this fund.	14.83	-
<b>Total</b>	<b>2,872.71</b>	<b>1,608.06</b>
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	433.47	148.53
<b>Amount shown as Loan</b>	<b>2,439.24</b>	<b>1,459.53</b>

## II Secured Loans from others

Particulars	As At March 31, 2021	As At March 31, 2020
<b>ICICI Bank</b> : The Vehicle loan of Rs 5.65 lacs repayable in 60 monthly installments comprising of 59 monthly installments of Rs 0.116 lacs each and last monthly installments of Rs 0.09 Lacs (including interest part).current Interest rate is 8.75%.This loan is secured against vehicle purchased out of the fund.	1.32	2.55
<b>ICICI Bank</b> : The Term loan of Rs.323.8 lacs repayable in 60 monthly installments of Rs.5.40 lacs each (excluding interest part).Current Interest rate is 10%. This loan is takeover of the existing loan limit with SIDBI . This loan facility has first pari - passu charge on all movable assets ,except those financed by other banks/NBFCs/FI and first charge on factory land and building of Unit -II of the Company . This loan is personally guaranteed by directors namely Mr. Harpreet Singh Nibber and Mr. Raminder Singh Nibber	221.11	264.44
<b>ICICI Bank</b> : The Working Capital Term loan of Rs.153.96 lacs repayable in 48 monthly installments including 12 month moratorium . (excluding interest part).Current Interest rate is 8.25%. This loan is under Emergency credit line Guaranteed scheme ( ECLGS ) by Govt. of India. This facility rank second charge with the existing faciliy in terms of cash flows and shall be secured by (i) extension of second ranking charge over all existing securities created in favour of ICICI bank (ii) charge to created on the assets created under the facility.	153.97	-
<b>HDFC Bank</b> : The Vehicle Loan of Rs.12.00 lacs repayable in 60 Monthly Installments of Rs.0.25 lacs each including interest part .This term loan is secured against vehicle purchase out of this fund.	-	1.94
<b>Total</b>	<b>376.40</b>	<b>268.93</b>
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	91.74	40.95
<b>Amount shown as Loan</b>	<b>284.66</b>	<b>227.98</b>

<b>GRAND TOTAL OF SECURED LOANS FROM BANKS</b>	<b>2,723.90</b>	<b>1,687.51</b>
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**I(II) Secured Loans**
**A. Loans from Financial Institutions**

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Electronica Finance Limited</b> : The Machinery Loan of Rs 56,28,600 repayable in 48 monthly installments of Rs. 1,37,147 including interest @ 7.9% p.a. This loan is fully secured by the machineries purchased out of the fund .	56.23	-
<b>SIDBI</b> : The Term loan of Rs. 375 lacs repayable in 72 monthly installments comprising first 12 installments of Rs. 4 lacs each , next 12 monthly installments of Rs. 6.50 lacs each , next 24 installments of Rs. 8 lacs each next 18 installments of Rs. 2.50 lacs each and next 6 installments of Rs. 2 lacs each . Current rate of interest is 9.40% p.a with a moratorium period 12 month .This loan is fully secured by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab.	337.47	-
<b>SIDBI</b> : Term Loan of Rs. 75 Lacs repayable in 54 monthly installments comprising of first 53 installments of Rs. 1.39 lacs each and last i.e 54th Installment of Rs. 1.33 lacs excluding interest part .Current rate of Interest is 11.40 % p.a.Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme. These loans are personally guaranteed by directors namely S. Raminder Singh Nibber and S. Harpreet Singh Nibber.	26.35	36.08
<b>SIDBI</b> : Soft Loan of Rs. 10 Lacs repayable in 54 monthly installments comprising of first 53 installments of Rs. 0.19 lacs each and last i.e 54th Installment of Rs. 0.20 lacs .excluding interest part .Current rate of Interest is 11.40 % p.a .Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme. These loans are personally guaranteed by directors namely S. Raminder Singh Nibber and S. Harpreet Singh Nibber.	3.53	4.82
<b>Mahindra &amp; Mahindra Financial Services Limited</b> : The vehicle term loan of Rs. 11.80 lacs repayable in 60 monthly installments comprising of Rs. 0.24 lacs each ( including interest part ).Current interest rate is 9 % . This loan is secured against vehicle purchased out of the fund.	7.14	9.33
<b>Bajaj Finance Ltd.</b> : The term loan of Rs.200 lacs repayable in 60 installments comprising of Rs. 4.29 each lacs including interest part.Interest rate is 10.50%.	132.05	159.31
<b>Daimler Financial Service Pvt. Ltd.</b> : The vehicle loan of Rs. 56.02 lacs repayable in 48 monthly installments comprising of 47 installments of Rs. 1.09 lacs each and 48th installment of Rs. 24.09 lacs .Interest rate is 11.75% . This loan is secured against vehicle purchased out of the fund.	37.94	46.05
<b>Mahindra &amp; Mahindra Financial Services Limited</b> : The term loan of Rs 245 lacs repayable 48 monthly ( including 3 months moratorium period ) installments comprising of Rs 5.71 lacs each (Including interest part) .Interest rate is 10.70% . Secured by first charge by way of hypothecation of all the moveable including plant, machinery and equipment acquired/to be acquired under the project/scheme.	119.78	160.72
<b>Mahindra &amp; Mahindra Financial Services Limited</b> : The term loan of Rs 111 lacs repayable 48 monthly ( including 12 months moratorium period ) installments comprising of Rs 3.59 lacs each (Including interest part) .Interest rate is 10.25% . This loan is sanctioned under ECLGS facility of the National Credit Guarantee Trustee Company Limited . The credit facility will rank second charge with the existing credit facilities by Mahindra Finance in term of cash flows and hypothecation on machinery funded through TL by MMFSL .	111.00	-
<b>Punjab Reliable Investment (P) Ltd.</b> :The Machinery Loan of Rs.23 lacs repayable in 45 installments comprising of first 16 installments of Rs.0.84 lacs each , next 16 installments of Rs. 0.66 lacs each , next 13 installments of Rs.0.45 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	12.60	19.76
<b>Punjab Reliable Investment (P) Ltd.</b> :The Machinery Loan of Rs. 28 Lacs repayable in 45 installments comprising of first 16 installments of Rs. 1.02 lacs each , next 16 installments of Rs. 0.80 lacs each , next 13 installments of Rs. 0.56 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	14.57	23.37
<b>Punjab Reliable Investments Private Limited</b> : The loan of Rs. 17 lacs repayable in 45 monthly installments comprising first 16 installments of Rs. 0.62 lacs , next 16 installments of Rs. 0.49 lacs and next 13 installments of Rs. 0.34 lacs . ( Including interest ) . This loan is secured against machineries purchased out of this fund.	13.77	-
<b>Punjab Reliable Investment (P) Ltd.</b> :The Machinery Loan of Rs.14 Lacs repayable in 47 installments comprising of first 16 installments of Rs.0.51 lacs each , next 16 installments of Rs. 0.39 lacs each , next 15 installments of Rs. 0.245 lacs each .(Including interest part).This loan is secured against machinery purchased out of the fund.	9.11	13.40
<b>Bajaj Finance Ltd.</b> : The term loan of Rs.90 lacs repayable in 48 installments comprising of first 12 month moratorium period and next 36 installments Rs. 2.86 each lacs including interest part.Interest rate is 9% . This loan is sanctioned under ECLGS facility of the National Credit Guarantee Trustee Company Limited . The credit facility will rank second charge with the existing credit facilities by Bajaj Finance Limited in term of cash flows and hypothecation on machinery funded through TL by Bajaj Finance Limited .	90.00	-
<b>Total</b>	971.54	472.84
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	211.66	112.11
<b>Amount shown as Loan</b>	<b>759.88</b>	<b>360.73</b>
<b>GRAND TOTAL OF UNSECURED LOANS FROM OTHERS</b>	<b>759.88</b>	<b>360.73</b>

## B. Loans from NBFC

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Tractors and Farm Equipments Limited (Tafe)</b> : Loan of Rs 60 Lacs repayable in 24 monthly installments of Rs. 2.5 Lacs each. Interest rate is 10.50%	-	17.67
<b>Tata Capital Financial Services Limited</b> : The term loan of Rs. 50 lakh repayable in 24 equated monthly installments of Rs. 2.44 lacs each . Interest rate is 16%.	29.04	50.00
<b>Tractors and Farm Equipments Limited (Tafe)</b> : Loan of Rs 100 Lacs repayable in 24 monthly installments of Rs. 4.17 Lacs each. Interest rate is 9.50%	75.60	-
<b>Cholamandalam Investment and Finance Company Ltd.:</b> The loan of Rs. 80 lacs repayable in 84 monthly installments of Rs. 1.33 lacs each .Current interest rate @ 10.25%.	59.37	68.82
<b>Total</b>	164.01	136.49
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	86.77	50.13
<b>Amount shown as Loan</b>	<b>77.24</b>	<b>86.36</b>

## II (II) Unsecured Loans

### A. From bank

Particulars	As At March 31, 2021	As At March 31, 2020
<b>IDFC First Bank Limited</b> : The term loan of Rs. 51 lacs repayable in 36 monthly installments of Rs. 1.79 lakhs each . Interest rate is 16%.	36.62	51.00
	36.62	51.00
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of Loans .	16.64	14.38
<b>Amount shown as Loan</b>	<b>19.98</b>	<b>36.62</b>

### From Directors

These loans are interest bearing and repayable as and when company generates surplus cash but not within a period less than 1 year.

Particulars	As At March 31, 2021	As At March 31, 2020
Sh. Raminder Singh Nibber	14.16	14.16
<b>Total</b>	<b>14.16</b>	<b>14.16</b>

## 2. Long Term Maturities of finance Lease obligations-Unsecured

Particulars	As At March 31, 2021	As At March 31, 2020
Lease Liability ( A Machinery has been taken on Lease on 18.12.2019 for 48 monthly rental on lease payment of Rs. 1,88,153	56.12	69.12
Less: Amount shown in Other Financial liabilities in Note No. 23 towards Current Maturities of lease liability .	22.58	22.58
<b>Total</b>	<b>33.54</b>	<b>46.54</b>

## 18 Provisions

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Provision for Employee Benefits</b>		
Leave encashment	18.57	20.40
Provision for Gratuity	149.84	132.82
<b>Total</b>	<b>168.41</b>	<b>153.22</b>

## 19 Deferred Tax Liabilities (net)

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Deferred Tax</b>		
-Relating to origination and reversal of temporary differences	254.66	200.87
<b>Total</b>	<b>254.66</b>	<b>200.87</b>

## 20 Other Non-Current Liabilities

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Tooling Advance</b>		
-from related parties	725.00	557.00
-Others	38.27	28.05
<b>Total</b>	<b>763.27</b>	<b>585.05</b>

## 21 Borrowings

Particulars	As At March 31, 2021	As At March 31, 2020
<b>Secured</b>		
From Bank- Cash Credit - Loan Repayable on Demand	4,002.42	4,180.71
<b>Total</b>	<b>4,002.42</b>	<b>4,180.71</b>

The Cash Credit limit is under multiple banking arrangement between ICICI and Canara bank .These facilities are secured by first charge by way of hypothecation of Trade receivables, Inventories, Other current assets and Plant and Machinery of the Company including land & Building except those finance by other Bank/FI/NBFC both present and future . This Limit is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber.

## 22 Trade Payables

Particulars	As At March 31, 2021	As At March 31, 2020
Trade payables		
Total Outstanding dues of micro enterprise and small enterprise	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprise**	2,388.66	1,715.38
<b>Total</b>	<b>2,388.66</b>	<b>1,715.38</b>

\*\*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act').

There are no Micro and Small Enterprise to whom the Company owes dues which are outstanding as at March 31, 2021 . This information as required to be disclosed under the Micro , Small and Medium enterprise Development Act , 2006 has been determined on the basis of Information available with the Company.

\*\* Note : Trade payable includes payable to related parties . (Refer Note No. 35 )

## 23 Other Financial Liabilities

Particulars	As At March 31, 2021	As At March 31, 2020
Current Maturities of Long term Loans	840.28	366.10
Current Maturities on finance lease obligations	22.58	22.58
Interest Accrued but not due on borrowings	11.15	9.63
Creditors for Capital Expenditure	178.67	262.61
Creditors for Expenses	1,909.79	1,743.19
<b>Employee Related Liabilities</b>		
Salaries and Wages payable	89.74	74.49
Other Employee related payments	33.89	32.50
<b>Total</b>	<b>3,086.10</b>	<b>2,511.10</b>

## 24 Other Current Liabilities

Particulars	As At March 31, 2021	As At March 31, 2020
Audit Fee Payable	3.05	3.39
Electricity Expenses Payable	289.95	278.92
Statutory dues payable	270.56	125.38
Other Liabilities	188.07	83.15
Deferred Income	18.00	21.00
<b>Total</b>	<b>769.63</b>	<b>511.84</b>

## 25 Provisions

Particulars	As At March 31, 2021	As At March 31, 2020
Provision for Gratuity	32.74	22.21
Provision for Leave encashment	1.92	2.39
Provision for Income Tax ( Net of advance tax )	131.72	116.24
<b>Total</b>	<b>166.38</b>	<b>140.84</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

26 Revenue from Operations

(All amounts in Lacs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of Products ( Net of Sales Returns )	26,550.79	19,603.09
Less :- Indirect Taxes	3,981.86	2,807.91
<b>Total</b>	<b>22,568.93</b>	<b>16,795.18</b>

27 Other Income

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest received on deposits with banks and others	96.83	136.35
Misc Receipt	11.74	12.41
Profit/(Loss ) on sale of Assets	0.69	-
Dividend Income	0.15	0.18
Duty Draw back	7.23	0.39
Balance Written back	-	0.18
Gain/loss on foreign Fluctuation	1.49	-
Profit on Sale of Shares	31.08	
<b>Total</b>	<b>149.21</b>	<b>149.51</b>

28 Cost of materials consumed

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Raw material and components consumed</b>		
Inventory at the beginning of the year-Raw Materials	1,472.95	1,343.50
Inventory at the beginning of the year-Stores ,Spares, Packing Material	348.47	224.59
	<b>1,821.42</b>	<b>1,568.10</b>
<b>Purchases</b>		
Raw Materials includes stores , spares and packing material etc.	13,945.59	10,004.26
	<b>13,945.59</b>	<b>10,004.26</b>
Less: Inventory at the end of the year - Raw Materials	1,796.82	1,472.95
Less: Inventory at the end of the year- Stores ,Spares and Packing Material	371.25	348.47
<b>Total</b>	<b>13,598.94</b>	<b>9,750.93</b>

28(a) Changes in inventories of finished goods , Work in progress and stock in trade

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
1. Opening inventories		
Work in Progress	3,932.46	3,807.47
Finished Goods	57.21	73.85
2. Closing inventories		
Work in Progress	4,054.87	3,932.46
Finished Goods	57.84	57.21
	<b>(123.04)</b>	<b>(108.35)</b>

**29 Employee Benefits Expense**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries and wages	837.77	881.28
Director Remuneration	220.87	217.37
Contribution to Provident and ESI Funds	69.67	73.69
Bonus and Incentives	133.86	102.05
Staff Welfare Expenses	52.75	50.55
Group Gratuity & Earned Leave	31.48	46.84
Other Expenses	12.80	17.15
<b>Total</b>	<b>1,359.20</b>	<b>1,388.93</b>

**30 Finance Cost**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest Expenses	717.27	658.53
Other Borrowing Costs	104.42	68.09
<b>Total</b>	<b>821.69</b>	<b>726.61</b>

**31 Depreciation and amortisation expenses**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Property , Plant and Equipment	829.79	750.42
Other Intangible Assets	19.99	5.00
<b>Total</b>	<b>849.78</b>	<b>755.42</b>

**32 Other expenses**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>(a) Manufacturing Expenses</b>		
Cartage & Forwarding	60.94	36.14
Power & Fuel	2,506.05	1,713.80
Contractual Job Work Expenses	707.82	265.59
Repair & Maintenance		
– Building	9.42	3.69
– Machinery	39.22	43.01
Workshop Expenses	808.58	671.50
Caliberation Expenses	3.16	2.02
Factory Rent	1.80	1.80
Other Manufacturing Expenses	52.18	30.81
	<b>4,189.17</b>	<b>2,768.36</b>
<b>(b) Administrative &amp; Selling Expenses</b>		
Payment to Auditors*	14.94	15.66
Rates & Taxes	8.29	6.76
Directors' Sitting Fees	14.75	10.50
Insurance	41.17	28.39
Legal & Professional Charges	72.52	65.91
Communication Expenses	7.42	8.36
Printing & Stationery	11.24	10.34
Vehicle Running Expenses	40.05	34.18
Travelling & Conveyance Expenses	24.12	74.89
ROC Expenses	0.26	0.17
Advertisement Expenses	1.20	1.51
Rebates and Discount	163.80	213.72
Freight Outward	422.37	238.59
Repairs and Maintenance others	3.57	2.38
Security expenses	60.86	54.32
CSR Expenses	29.82	19.81
Bad Debts	108.95	3.58
Other Misc. Expenses	141.56	107.78
<b>Total</b>	<b>5,356.06</b>	<b>3,665.21</b>

**\*Detail of Payment to Auditors**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Audit Fee (Statutory and Tax Audit Fees)	13.25	13.25
Auditor's out of pocket Expenses	1.69	2.41
<b>Total</b>	<b>14.94</b>	<b>15.66</b>

**33 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Net Profit after tax attributable to equity holders</b>	<b>587.00</b>	<b>557.85</b>
Weighted average no of equity shares outstanding during the year- for Both Basic EPS	177.35	177.35
Face value of Equity Share ( INR )	10.00	10.00
Basic and Diluted	3.31	3.15
No of shares for Diluted EPS	178.34	178.78
Diluted EPS	3.29	3.12

**34 Current Tax and Deferred Tax**

Particulars	For the Year ended March 31, 2021	(All amounts in Lacs) For the Year ended March 31, 2020
<b>Current Tax:</b>		
Current income tax:	207.97	184.02
Adjustments in respect of current income tax of previous period	13.77	0.20
<b>Deferred Tax:</b>		
Relating to origination and reversal of temporary differences	46.77	23.87
<b>Total</b>	<b>268.51</b>	<b>208.09</b>

**Income Tax on Other Comprehensive Income**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Current Tax</b>	-	-
<b>Deferred Tax</b>		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**35 Related party transactions**

**a) Related party and nature of the related party relationship with whom transactions have taken place during the year**

**A) Key Management Personnel**

Mr. Harpreet Singh Nibber - Managing Director  
Mr. Raminder Singh Nibber - Whole Time Director  
Mr. Ajay Kumar - Executive Director  
Mr. Narinder Kumar Tyagi - C.F.O  
Mr. Chander Bhan Gupta - Company Secretary  
Mrs. Neha- Independent Director  
Mr. Subramaniam Bala - Independent Director (appointed w.e.f. 29/8/2020)  
Mr. Yudhisthir Lal Madan- Independent Director  
Mr Neeraj Bajaj - Independent Director (ceased w.e.f. 4/1/2021)

**B) Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives**

Pritika Industries Limited

(All amounts in Lacs)

Nature of Transactions During the year	Related Parties			
	Referred in A Above		Referred in B Above	
Income	2020-21	2019-20	2020-21	2019-20
Sales	-	-	12,077.54	8,424.12
<b>Expenditure</b>				
Purchases	-	-	2,459.04	1,510.46
Director Remunerations	220.86	217.37	-	-
Director Sitting Fees to independent Directors	14.75	10.50	-	-
Salary to KMP's	34.61	37.65	-	-
Interest Payment	-	-	-	-
Balance as at 31st March, 2021 , Debit / ( Credit)	-	-	4,325.30	3,575.60
<b>Loan &amp; Advances</b>	-	-	-	-
Loan taken during the year	-	-	-	-
Repayment of Loan	-	-	-	-
Loan given during the year	-	-	-	-
Repayment of Loan	-	-	-	-
Balance as at 31st March ,2021 Debit/(Credit)	(14.16)	(14.16)	-	-

**36 Disclosure pursuant to IND AS 19 on Employee benefit**

The Company has a defined gratuity plan covering eligible employees . The following table summarizes the components of net benefit expenses recognized in the Statement of Profit and Loss and the funded status and amount recognized in the Balancesheet .

**Assets and liabilities Balance sheets position**

(All amounts in Lacs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Present value of obligation	182.58	155.03
Fair value of Plan Assets Assets		
Surplus/( Deficit)	(182.58)	(155.03)
Effects of asset ceiling if any		
<b>Net Asset/ Liability</b>	<b>(182.58)</b>	<b>(155.03)</b>

**Changes in the Present Value of Obligation**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Present Value of Obligation as at the beginning	155.03	143.18
Current Service Cost	20.87	20.50
Interest Expense or Cost	10.61	11.05
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	-	(0.11)
change in financial assumptions	0.95	(1.84)
experience variance (i.e. Actual experiencevs assumptions)	3.12	(5.25)
others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(8.00)	(12.50)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
<b>Present Value of Obligation as at the end</b>	<b>182.58</b>	<b>155.03</b>

**Actuarial Assumptions:**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salary Growth	5.00%	5.00%
Discount Rate	6.80%	6.85%

**Bifurcation of Present Value of Obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current Liability (Short term)	32.74	22.21
Non-Current Liability (Long term)	149.84	132.82
<b>Present Value of Obligation</b>	<b>182.58</b>	<b>155.03</b>

#### Expenses Recognised in the Income Statement

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Current Service Cost	20.87	20.50
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	10.61	11.05
<b>Expenses Recognised in the Income Statement</b>	<b>31.48</b>	<b>31.55</b>

#### Other Comprehensive Income

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Actuarial (gains) / losses		
change in demographic assumptions	-	(0.11)
change in financial assumptions	0.95	(1.83)
experience variance (i.e. Actual experience vs assumptions)	3.11	(5.24)
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>4.06</b>	<b>(7.18)</b>

#### 37 Fair values

The carrying value and fair value of financial instruments by category:

##### Assets and liabilities carried at amortised cost

Particulars	Carrying Value		Fair Value	
	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
<b>Financial assets</b>				
Investments	275.59	305.75	603.94	362.00
Other financial assets	28.75	138.41	28.75	138.41
Trade Receivables	6,392.49	4,640.41	6,392.49	4,640.41
Cash and cash equivalents	39.99	132.64	39.99	132.64
Bank balances other than cash and cash equivalents	331.10	132.10	331.10	132.10
<b>Total</b>	<b>7,067.92</b>	<b>5,349.31</b>	<b>7,396.27</b>	<b>5,405.56</b>
<b>Financial liabilities</b>				
Borrowings	7,631.12	6,412.63	7,631.12	6,412.63
Trade Payables	2,388.66	1,715.38	2,388.66	1,715.38
Other Financial Liabilities	3,086.10	2,511.10	3,086.10	2,511.10
<b>Total</b>	<b>13,105.88</b>	<b>10,639.11</b>	<b>13,105.88</b>	<b>10,639.11</b>

There are no assets and liabilities which have been carried at fair value through the profit and loss account.

There are no assets and liabilities which have been carried at fair value through the other comprehensive income except investments in shares and mutual fund.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



### 38 Capital Management

The company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital deployment.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirement are met through equity and long-term/ short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity ratio and maturity of the overall debt portfolio of the Company.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021.

Particulars	As At March 31, 2021	As At March 31, 2020
Debt	8,437.86	6,732.19
Less: cash and cash equivalents	(371.09)	(264.74)
<b>Net Debt (A)</b>	<b>8,066.77</b>	<b>6,467.45</b>
Equity (B)	12,770.56	12,036.87
<b>Gearing ratio (A/B)</b>	<b>0.63</b>	<b>0.54</b>

### 39 Commitments and Contingencies

Particulars	As At March 31, 2021	As At March 31, 2019
<b>(a) Contingent Liabilities :</b>		
Claim against the Company not acknowledged as debts*		
- Income Tax	54.14	44.86
- Letter of credit	320.00	196.94
Guarantees issued by Banks	153.21	193.21

40 The Company adopted Ind AS 116 effective annual reporting beginning April 1, 2019. The Company applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the company did not restate comparative information, instead, the cumulative effect of initially applying this standard, recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company recognized a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognized at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

41 The Covid-19 pandemic has impacted the businesses around the world, including India. There has been severe disruption to the regular operations of the Company in the First quarter of FY 2020-21 due to Government imposed emergency restrictions and lockdown. The company has assessed the impact on liquidity position and carrying amounts of inventories, trade receivables, investments, property, plant and equipment and other financial assets. Our assessment based on estimates and judgements, available from internal and external sources of information including economic forecasts does not indicate any material impact on the carrying value of assets and liabilities as on the reporting date. The Company will continue to monitor the future economic conditions and assess its impact on the financial statements. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the Standalone financial statements.

### 42 Details of CSR Expenditure

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a. Gross amount required to be spent by the Company during the year as per Section 135 of the Companies Act, 2013 read with Schedule VII	26.16	21.20
b. Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	29.82	19.81

**Note :** Due to Covid-19 pandemic an amount of Rs. 3 lacs approx. remained unspent during the last year which was spent during the current year to complete the projects undertaken by the Company during 2019-20.

- 43 The Parliament of India has approved the Code on Social Security , 2020 ( the Code ) which may impact the contributions by the Company towards provident fund , gratuity and ESIC . The Ministry of Labour and Employment has released draft rules for the Code on November 13 , 2020. Final rules are yet to be notified . The Company will assess the impact of the Code when it comes into effect and will record related impact , if any.

44 **Foreign Exchange Earnings and outgo**

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Earning in Foreign Exchange	496.19	60.36
Outgo in Foreign Exchange	21.36	4.17

- 45 Previous year's figures have been restated , rearranged and regrouped , wherever considered necessary .

As per our report of even date

For and on behalf of Board of Directors

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Registration number: 003645N

Sd/-  
S.K Gupta  
Partner  
Membership no.: 082486

Sd/-  
Harpreet Singh Nibber  
( Managing Director )  
DIN No. 00239042

Sd/-  
Raminder Singh Nibber  
( Chairman )  
DIN No. 00239117

Place: Mohali  
Date : 16-06-2021

Sd/-  
Narinder Kumar Tyagi  
C.F.O

Sd/-  
Chander Bhan Gupta  
Company Secretary  
M.No. F2232

## Pritika Auto Industries Limited

Regd off: Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar Mohali Punjab - 160055  
CIN: L45208PB1980PLC046738

### PROXY FORM Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**Name of the Company:** Pritika Auto Industries Limited

**CIN:** L45208PB1980PLC046738

**Registered Office:** Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar Mohali Punjab - 160055

**Website:** [www.pritikaautoindustries.com](http://www.pritikaautoindustries.com) **Email:** [compliance@pritikaautoindustries.com](mailto:compliance@pritikaautoindustries.com)

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

Email Id \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of Pritika Auto Industries Limited to be held on Wednesday, the 29<sup>th</sup> day of September, 2021 at 10.00 A.M. at Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab - 160055 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resol. No.	Resolution	Vote (optional, see note no. 3) (please mention no. of shares)	
Ordinary Business		For	Against
1.	To consider and adopt the Audited Financial Statements for the year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To consider and adopt the Audited Consolidated Financial Statements for the year ended 31st March, 2021, together with the Report of the Auditors thereon.		
3.	To appoint a director in place of Mr. Ajay Kumar (DIN: 002929113), who retires by rotation and being eligible, seeks reappointment		
Special Business			
4.	To Ratify remuneration paid to Cost Auditor.		
5.	To Re-appoint Mr. Subramaniam Bala (DIN: 00461697) as an Independent Director of the Company.		
6.	To approve the material related party transactions with Pritika Industries Ltd.		
7.	To approve the material related party transactions with Pritika Engineering Components Pvt. Ltd.		
8.	To re appoint Mr. Raminder Singh Nibber (DIN:00239117) as whole time director and payment of remuneration		
9.	To re appoint Mr. Harpreet Singh Nibber (DIN:00239042) as Managing Director and payment of remuneration		
10.	To re appoint Mr. Ajay Kumar (DIN:02929113) as whole time director and payment of remuneration		

Signed this..... day of..... 2021

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
Rs. 1  
Revenue  
Stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.
3. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**Pritika Auto Industries Limited**

Regd off: Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar Mohali Punjab - 160055

**CIN: L45208PB1980PLC046738**

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

<b>For Physical Holding</b>	<b>For Electronic Form (Demat) NSDL/CDSL</b>		<b>No. of Shares Held</b>
LF No.	DP ID	CLIENT ID	

I hereby record my presence at the Annual General Meeting of the Company, being held on Wednesday, the 29<sup>th</sup> September, 2021 at 10:00 A.M. at Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S. Nagar Mohali Punjab - 160055.

**FULL NAME AND ADDRESS OF THE MEMBER/JOINT MEMBER(S) / PROXY  
(IN CAPITAL LETTERS):**

--

**IF PROXY, FULL NAME AND ADDRESS OF MEMBER/JOINT MEMBER(S)  
(IN BLOCK CAPITAL LETTERS):**

--

\_\_\_\_\_  
**Name of the Member/ Proxy  
(in Block Letters)**

**Signature of the Member/ Proxy**

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.

2. Electronic copy of the Annual Report including notice of Annual General Meeting for the financial year ended on 31.03.2021 and Attendance Slip along with Proxy Form is being sent to all the members whose e-mail address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

**ROUTE MAP TOWARDS THE VENUE**

