



Date: March 08, 2021

To,
Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai—400001

Scrip Code: 540027

Dear Sir / Madam,

Sub: Annual Report for the Financial Year 2019-20 and the Notice convening the 13th Annual General Meeting of the Company

Ref: Disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

This is to inform you that pursuant to Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Prabhat Technologies (India) Limited for the Financial year 2019-20 along with the Notice convening the Thirteenth Annual General Meeting scheduled to be held on Tuesday, March 30, 2021 at 11:00 a.m. at the Corporate Office of the Company.

We would also like to inform you that the said documents are also available on the Company's website at www.prabhatgroup.net.

Kindly update the same on your records and oblige.

Thanking you.

Yours Faithfully,
For **PRABHAT TECHNOLOGIES (INDIA) LIMITED**


Aastha Kochar
Company Secretary & Compliance Officer



Encl: a/a

PRABHAT TECHNOLOGIES (INDIA) LIMITED

(Formerly known as Prabhat Telecoms (India) Limited)

CIN: L72100MH2007PLC169551



ANNUAL REPORT 2019-20

13TH ANNUAL GENERAL MEETING



PRABHAT TECHNOLOGIES (INDIA) LIMITED

{Formerly known as Prabhat Telecoms (India) Limited}

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CORPORATE INFORMATION

INSOLVENCY RESOLUTION PROFESSIONAL*

Mr. Rajendra K. Bhuta

BOARD OF DIRECTORS**

Mr. Vishwamani Matamani Tiwari
(Chairman & Managing Director)

Ms. Geeta Krishna Bhosle
(Independent Director)

Mr. Alberto Agostino Zummo
(Independent Director)

Mrs. Nidhi Prem Chand
(Independent Director)

Ms. Nutan Birendra Pratap Singh***
(Additional Whole – Time Woman Director)

Mr. Parag Rameshchandra Malde
(Whole Time Director & CFO)

COMPANY SECRETARY AND COMPLIANCE OFFICER****

Ms. Meghana Ekanath Kashte

STATUTORY AUDITORS

Harish Arora & Associates,
Chartered Accountants

INTERNAL AUDITORS*****

Bharat J. Rughani & Co.,
Chartered Accountants

SECRETARIAL AUDITORS

Mamta Devpura & Associates,
Practising Company Secretaries

REGISTERED OFFICE

402, Western Edge I,
Kanakia Spaces,
Western Express Highway,
Borivali (East),
Mumbai 400066
Tel: +91 22-40676000
Email: investors@prabhatgroup.net
Website: www.prabhatgroup.net

FACTORY

Prabhat House, H. No. 736/1,
Indian Oil Compound,
Mankoli Naka,
Dapodi Village,
Bhiwandi – 421302

REGISTRAR & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited,
Subramanian building, No.1,
Club House Road,
Chennai -600002
Tel: 044-28460390

CIN: L72100MH2007PLC169551

ANNUAL GENERAL MEETING

Date: Tuesday, March 30, 2021 Time: 11.00 A.M.
Venue: 402, Western Edge I, Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai 400066

* Pursuant to the order dated 10.10.2019, of the Hon'ble National Company Law Tribunal – Mumbai Bench, at Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from October 10, 2019. Shri Rajendra K. Bhuta, having registration no. as IBBI/IPA-001/IP-P00141/2017/18/10305 was appointed as Interim Resolution Professional in terms of the NCLT Order.

** The Board of Directors was suspended post the commencement of the CIR Process i.e. October 10, 2019.

*** Resigned w.e.f. October 10, 2019.

**** Resigned w.e.f. December 19, 2019.

***** Internal Auditors was suspended post the commencement of the CIR Process i.e. October 10, 2019.

Forward Looking Statement

In this Annual Report, we might have disclosed forward-looking statements that set out anticipated results based on the management's plans and assumptions. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

AWARDS

- Awarded with Certificate of Excellence as Best SME in Telecom Sector by Navbharat SME Business Excellence Award 2017.





2nd Edition

नवभारत
SME BUSINESS EXCELLENCE AWARDS 2017

SME BUSINESS EXCELLENCE AWARDS OCTOBER 2017

Certificate of Excellence

Awarded to

Prokhar Telecoms

In recognition of excellent performance and sustained growth

Best SME in Telecom Sector

Nimesh Maheshwari

Managing Director
प्रवर्धन ग्रुप



Nimesh Lunawat

Managing Director
परिवर्धन अकादमी ग्रुप

PRABHAT TECHNOLOGIES (INDIA) LIMITED

CIN: L72100MH2007PLC169551

RegdOffice: Unit No.402, WesternEdgeI, KanakiaSpaces, Western Express
Highway, Borivali (East), Mumbai400066.

Contact: 022-40676000 Email: investors@prabhatgroup.net Website: www.prabhatgroup.net

NOTICE OF THE 13TH ANNUAL GENERAL MEETING

BACKGROUND:

The members are hereby informed that pursuant to the order dated October 10, 2019, of the Hon'ble National Company Law Tribunal – Mumbai Bench, at Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from October 10, 2019. Shri Rajendra K. Bhuta, having registration no. (IBBI/IPA-001/IP-P00141/2017 /18/10305) was appointed as Interim Resolution Professional in terms of the NCLT Order.

Members are further informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta.

In view, the ensuing Annual General Meeting is being convened by the Resolution Professional.

NOTICE IS HEREBY GIVEN THAT THE 13TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PRABHAT TECHNOLOGIES (INDIA) LIMITED WILL BE HELD ON TUESDAY, MARCH 30 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT UNIT NO. 402, 4TH FLOOR, WESTERN EDGE – 1, WESTERN EXPRESS HIGHWAY, BORIVALI (EAST), MUMBAI - 400066, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2020 along with Auditors Report thereon.

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

"RESOLVED THAT the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 including Balance Sheet as at March 31, 2020, Statement of Profit and Loss Account as at March 31, 2020 and Cash Flow Statement for the year ended as on that date together with Notes forming part of Accounts as audited and reported by the Auditors of the Company and the Directors' Report, as circulated to the Members and laid before meeting, be and are hereby received, considered, approved and adopted."

2. To consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2020 along with Auditors Report thereon.

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

“RESOLVED THAT the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 including Balance Sheet as at March 31, 2020, Statement of Profit and Loss Account as at March 31, 2020 and Cash Flow Statement for the year ended as on that date together with Notes forming part of Accounts as audited and reported by the Auditors of the Company and the Directors’ Report, as circulated to the Members and laid before meeting, be and are hereby received, considered, approved and adopted.”

For and on behalf of the Board
Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-
Aastha Kochar
Company Secretary & Compliance Officer

Registered Office: 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai 400066

Place: Mumbai
Date: March 08, 2021

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, **March 24, 2021** to Tuesday, **March 30, 2021** (both days inclusive) for the purpose of 13thAGM of the Company.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

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. 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. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. 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. Members holding shares in physical form can submit their PAN details to the Company or to RTA.

5. SEBI has also mandated that for Registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the company for registration of transfer of securities.

6. Any person whose name appears in the register of members as on the cut-off date i.e. March 08, 2021 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

7. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the 12th Annual General Meeting.

8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend and to vote at the AGM on its behalf.

9. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.

10. Pursuant to Rule 18(3) of The Companies (Management and Administration) Rules, 2014, you are requested to provide your e-mail id to facilitate easy and faster dispatch of Notices of the AGM and other communications by electronic mode from time to time.

11. Payment of dividend through ECS/NECS: - Not Applicable (Dividend is not declared by the company).

12. E-voting cut of date is Tuesday, March 23, 2021, E-voting shall open from Saturday March 27, 2021 at 9:00 a.m. and ends on Monday, March 29, 2021 at 5:00 p.m.

13. In terms of sections 101 and 136 of the Act, read with the rules made thereunder, Electronic copy of the Notice of the 12th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose

email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, Physical copy of the Notice of the 13th AGM of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

14. To receive communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their email address with their respective depository participant, where shares are held in electronic form. In case of shares held in physical form, members are advised to register their e-mail address with RTA by emailing at cameo@cameoindia.com. Further, the Company has availed the services offered by NSDL to update email addresses of shareholders of the Company having their holding with a depository participant registered with NSDL and have not registered their email addresses. Members are requested to register their email id and support the green initiative efforts of the Company.
15. Members may note that the Notice and Annual Report for Financial year 2019 – 2020 which will also be available on the Company's website www.prabhatgroup.net and at the stock exchanges i.e., BSE Limited at www.bseindia.com and on the website of Cameo Corporate Services Limited at cameo@cameoindia.com.
16. With a view to enable the Company to serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
17. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this the Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and request.
18. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to also avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
19. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
20. In case a person becomes a member of the Company after dispatch of e-AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Tuesday, March 23, 2021, such person may obtain the user id and password from RTA by email request on cameo@cameoindia.com.
21. Alternatively, member may send signed copy of the request letter providing the email address, mobile number and self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via email to info@prabhatgroup.net for obtaining the Annual Report and Notice of e-AGM.
22. The Board of Directors have appointed M/s. Harish Arora & Associates, Practising Chartered Accountant (Firm Registration No. 015226C) as the Scrutiniser to the e-voting process, and voting at the e-AGM in a fair and transparent manner.
23. The EVEN number for voting on Annual General Meeting is 115817.

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

THE REMOTE E-VOTING PERIOD BEGINS ON MARCH 27, 2021 AT 09:00 A.M. AND ENDS ON MARCH 29, 2021 AT 05:00 P.M. THE REMOTE E-VOTING MODULE SHALL BE DISABLED BY NSDL FOR VOTING THEREAFTER.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>.

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

Details on Step 1 are mentioned below:

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

- i. 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.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password 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.

- iv. 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*** |

- v. Your password details 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, your ‘initial password’ is communicated to you on your postal address.
- vi. 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.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on

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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting System?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN i.e. 115817” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 harisharoraassociates@gmail.com with a copy marked to 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 “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on 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 or call on toll free no.: 1800 1020 990/ 1800-22-44-30 or send a request to (Name of NSDL Official) at 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 info@prabhatgroup.net.

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 info@prabhatgroup.net.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witness not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.prabhatgroup.net and on the website of NSDL immediately after the result is declared by the Chairperson. The declared Results, along with the Scrutinizer's Report, will be sent to your registered mail id.

For and on behalf of the Board

Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-

Aastha Kochar
Company Secretary & Compliance Officer

Registered Office: 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai 400066

Place: Mumbai

Date: March 08, 2021

Form No. MGT-11
Proxy form

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L72100MH2007PLC169551

Name of the company: PRABHAT TECHNOLOGIES (INDIA) LIMITED

Registered office: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East), Mumbai 400066

Venue of the meeting: Unit No. 402, 4th Floor, Western Edge – 1, Western Express Highway, Borivali (East), Mumbai – 400066

Date & Time: Tuesday, March 30, 2021 at 11:00 A.M.

Name of the member (s):

Registered address:

E-mail Id:

Folio No / DP ID / Client ID:

I/We, _____ being the member (s) of **Prabhat Technologies (India) Limited** shares, hereby appoint

| Sr. No. | Name of Proxy : | Address | E-mail Id | Signature |
|---------|-----------------|---------|-----------|-----------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the company, to be held on the Tuesday, March 30, 2021 at 11:00 A.M. at Unit No. 402, 4th Floor, Western Edge – 1, Western Express Highway, Borivali (East), Mumbai – 400066 and at any adjournment thereof in respect of such resolutions as are indicated below

| Resolution No. | Description |
|--------------------------|---|
| Ordinary Business | |
| 1. | To consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2020 along with Auditors Report thereon. |
| 2. | To consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2020 along with Auditors Report thereon. |

Signed this _____ day of March 2021

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Revenue
Stamp

Note:

- i. This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- ii. A Proxy need not be a Member of the Company.**
- iii. A person appointed as Proxy shall act on behalf of not more than 50 (Fifty) Members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Member.**

ATTENDANCE SLIP

**Thirteenth Annual General Meeting of Prabhat Technologies (India) Limited on
Tuesday, March 30, 2021 at 11:00 A.M.**

| | |
|--------------------------------|--|
| Name and address of the Member | |
|--------------------------------|--|

| | |
|----------------------------|--|
| Regd. Folio No./ Client ID | |
| DP ID | |
| No. of shares held | |

I/We certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the Thirteenth Annual General Meeting of the Company on Tuesday, March 30, 2021 at 11:00 A.M. at the Registered Office of the Company at Unit No. 402, 4th Floor, Western Edge - 1, Western Express Highway, Borivali (East), Mumbai - 400066.

| | |
|---|--|
| Full name of the Member/Proxy attending the Meeting | |
| Member's/Proxy's Signature | |

***Note: Please fill this attendance slip and hand it over at the entrance of the Office.
Your entry to the Meeting will be regulated by this attendance slip.***

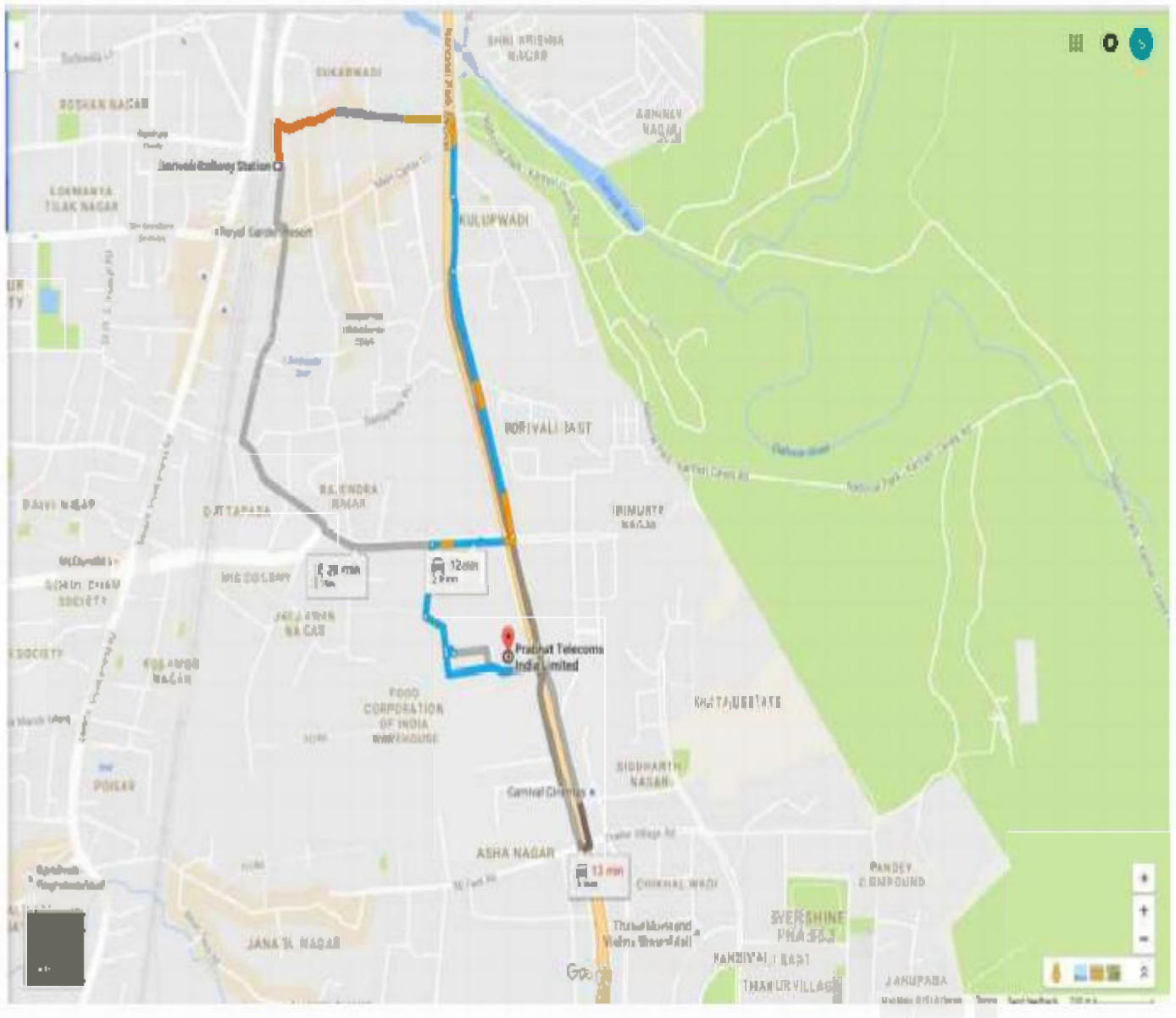
**Thirteenth Annual General Meeting of Prabhat Technologies (India) Limited on
Tuesday, March 30, 2021 at 11:00 A.M.**

ELECTRONIC VOTING PARTICULARS

| EVEN(E-Voting Event Number) | USER ID | PASSWORD/PIN |
|------------------------------|---------|--------------|
| | | |

NOTE: Please read instructions given at Note no. 24 of the Notice of the 13th Annual General Meeting carefully before voting electronically.

ROUTE MAP TO THE VENUE OF AGM



DIRECTOR'S REPORT PRESENTED BY IRP

To,
The Members of
Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)

We are pleased to present the 13th Annual Report together with the Audited Statement of Accounts and Auditor's Report for the year ended March 31, 2020.

The members are hereby informed that pursuant to the order dated October 10, 2019, of the Hon'ble National Company Law Tribunal – Mumbai Bench, at Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from October 10, 2019. Shri Rajendra K. Bhuta, having Registration No. (IBBI/IPA-001/IP-P00141/2017/18/10305) was appointed as Interim Resolution Professional in terms of the NCLT Order.

Members are further informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta.

In view, the ensuing Annual General Meeting is being convened by the Resolution Professional, Mr. Rajendra K. Bhuta on behalf of the Company.

FINANCIAL RESULTS:

Summary of the Company's financial performance as per the financial statements prepared according to the Ind AS. For the F.Y. 2019-2020 as compared to the previous financial year is given below:

(Figures in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | F.Y. 2019 - 2020 | F.Y. 2018 - 2019 | F.Y. 2019 - 2020 | F.Y. 2018 - 2019 |
| Revenue from operations (Net) | 2333.65 | 12,055.31 | 2333.65 | 13,043.10 |
| Revenue from Other Income | 404.11 | 196.96 | 404.11 | 196.96 |
| Total Revenue | 2737.76 | 12,525.27 | 2737.76 | 13,240.06 |
| Depreciation & Amortization | 89.43 | 88.25 | 91.13 | 89.01 |
| Finance Cost | 77.14 | 110.34 | 77.26 | 110.38 |
| Other Expenses | 7743.24 | 13020.14 | 7751.97 | 13996.50 |
| Extraordinary Items | 3517.55 | Nil | 3517.55 | Nil |
| Profit/Loss After Depreciation & Interest & Extraordinary Items | -8689.61 | -966.46 | -8700.15 | -955.83 |
| Provision for Tax | 2237.57 | 563.21 | 2237.57 | 562.07 |

| | | | | |
|-------------------------|-----------------|----------------|-----------------|----------------|
| Profit After Tax | -6452.04 | -403.25 | -6462.58 | -393.76 |
| EPSBasic | -60.26 | -3.77 | -60.36 | -3.68 |
| EPS Diluted | -60.26 | -3.77 | -60.36 | -3.68 |

Note:

CIRP Petition under insolvency and bankruptcy code 2016 with national company law tribunal (NCLT) is filed against the company. Accordingly the IRP has been appointed vide dated 10th Oct 2019. Pursuant to the order of NCLT, the powers of the board of directors has been suspended after commencement of the CIR process and the same are exercisable by Mr. R.K. Bhuta, the IRP appointed by the NCLT, Mumbai. However, the financial results have been signed by the Chief Financial Officer of the Company, confirming completeness and accuracy of the results. The RP has relied upon the assistance provided by the management in relation to these financial results. The RP approved these financial results only to the limited extent of discharging powers of Board of Directors of the Company conferred on him in terms of Section 17 of the Code.

HIGHLIGHTS:

During the year under review, your company has reported a Consolidated Turnover of Rs. 2737.76Lakhs including other income. The Turnover of the Company has decreased because of stiff competition in the target markets and long duration taken for flow of working capital cycle in the telecom industry. The Company has incurred a loss in revenue due to recent changes in business environment and changes in tax regime.

STATE OF COMPANY'S AFFAIRS:

As mentioned above, that pursuant to the order dated October 10, 2019, of the Hon'ble National Company Law Tribunal – Mumbai Bench, at Mumbai (“NCLT Order”), Corporate Insolvency Resolution Process (“CIR Process”) has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, (“Code”) and related rules and regulations issued thereunder with effect from October 10, 2019. Shri Rajendra K. Bhuta, having registration no. IBBI/IPA-001/IP-P00141/2017/18/10305 was appointed as Interim Resolution Professional in terms of the NCLT Order.

Members are further informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta.

It is imperative that affairs of our Company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

TRANSFER TO RESERVE AND SURPLUS:

There was no transfer to General Reserve and Surplus during the year ended March 31, 2020.

DIVIDEND:

With a view to strengthening the financial position of the company, your Board of Director's have not recommended any dividend for the financial year 2019-20.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No specific material changes and commitments, unless as disclosed in this Report, affecting the financial position of your Company have occurred between the end of the financial year under review, i.e. March 31, 2020 and the date of this Report.

CHANGE IN THE NATURE OF THE BUSINESS:

During the year under review, there has been no change in the nature of the business of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report 2019-20.

REPORT ON CORPORATE GOVERNANCE:

The Company adhere to the Corporate Governance requirements set out in Regulation 34 of the Securities and Exchange Board of India ("SEBI")(Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report on Corporate Governance for the year under review forms part of the Annual Report.

SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

| Sr. No. | Name and address of the Company | CIN / GLN | Holding/ Subsidiary / Associate | % of shareholding | Applicable Section |
|----------------|---|-----------------------|--|--------------------------|---------------------------|
| 1. | Prabhat Telecoms Hong Kong Limited | - | Subsidiary | 100% | 2(87) |
| 2. | Prabhatech Global Electronics Private Limited | U32302MH2018PTC309377 | Subsidiary | 99.99% | 2(87) |

There are no Companies / Body Corporate which have become/ceased to be subsidiary/ JointVenture / Associate during the financial year 2019-20.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries and joint venture companies in **Form AOC- 1** and forms part of this report as "**Annexure-I**". The separate financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is put up on the Company's website and can be accessed at http://www.ptil.prabhatgroup.net/documents/1110128534_policy_for_determining_material_subsidiaries.pdf.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, and based on the information provided by management, your management state that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2020 the applicable accounting standards have been followed;
2. Accounting policies selected have been applied consistently. Reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the State of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;
3. Proper and sufficient care has been taken 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;

4. The annual accounts of the Company have been prepared on a going concern basis;
5. The Internal financial controls have been laid down to be followed by the company and such internal financial controls are adequate and operating effectively;
6. Systems to ensure compliance with the provisions of all applicable laws are in place and were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY [CSR]:

The provisions of the CSR expenditure and Composition of Committee, as provided in the Section 135 of the Companies Act, 2013, are not applicable to the company.

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as said provisions are not applicable to the Company.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, prior to CIR Process, no new Directors were appointed on the Board.

Therefore prior to the CIR Process, all the directors of the Company have confirmed that they satisfy the criteria as prescribed under the applicable regulations and that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

Further, Ms. Nutan Singh (DIN: 07680135), Executive Director of the Company resigned from the Board of Directors of the Company with effect from October 10, 2019.

Key Managerial Personnel

Ms. Meghana Ekanath Kashte resigned from the post of Company Secretary and Compliance Officer with effect from December 19, 2019.

DECLARATION BY INDEPENDENT DIRECTOR:

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, during the year under review, the Company has not appointed any Independent Directors as required under Section 149 of the Companies Act 2013.

Therefore, prior to the CIR Process, the Company has received declarations from them confirming that they meet the criteria of independence as prescribed both under the provisions of Section 149(6) of the Companies Act, 2013 and in terms of Regulation 25 of the SEBI LODR Regulations.

MEETINGS OF BOARD OF DIRECTORS AND INSOLVENCY RESOLUTION PROFESSIONAL:

As stated above, Members are informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stands suspended w.e.f October 10, 2019 and no Board meeting could be held thereafter.

Prior to CIR Process, the Company had total of 6 Board meetings which was held on May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019, October 07, 2019.

Post the CIR Process, the Company had total of 2 meetings chaired by IRP on November 14, 2019 and February 12, 2020.

| | |
|---|--|
| MR. VISHWAMANI MATAMNI TIWARI | May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019, October 07, 2019 |
| MR. PARAG R. MALDE | May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019, October 07, 2019, November 14, 2019 and February 12, 2020 |
| MS. NUTAN BIRENDRAPRATAP SINGH | May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019 |
| MR. ALBERTO AGOSTINO MARIO ZUMMO | May 06, 2019 |
| MRS. NIDHI PREM CHAND DODHIA | May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019, October 07, 2019 |
| MS. GEETA KRISHNA BHOSLE | May 31, 2019, August 14, 2019, October 03, 2019, October 07, 2019 |
| MR. RAJENDRA K. BHUTA (IRP) | November 14, 2019 and February 12, 2020 |

BOARD COMMITTEES:

The Company has following committees of Board:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee

A detailed note on the Board Committees with respect to composition, meeting, powers, and terms of reference is provided under the Corporate Governance Report section in the Annual Report.

As stated above, Members are informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stands suspended w.e.f October 10, 2019 and no meetings of the Committee were held thereafter.

BOARD EVALUATION:

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, the Company has not appointed any Independent Directors as required under Section 149 of the Companies Act 2013.

Further, prior to CIR Process and pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Nomination & Remuneration Committee (hereinafter known as 'NRC') had formulated policy (approved by the board) for the performance evaluation of the whole board, its committees, individual directors (including Independent Directors) and KMP's annually on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. As per the Policy, performance evaluation of:

- Independent directors has been done by the whole board excluding the director being evaluated and submit its report to NRC;
- Non-Independent directors including chairman has been done by independent directors and submit its report to NRC;
- Committees of the board and KMP's have been done by the board of directors and submit its report to NRC.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman is also evaluated on the key aspects of his role. In a separate meeting of Independent Directors held on May 06, 2019, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman is evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same is discussed in the Board Meeting held on May 06, 2019 that followed the Meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors are also discussed.

NOMINATION AND REMUNERATION POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, the Company has not appointed any Independent Directors as required under Section 149 of the Companies Act 2013.

Prior to CIR Process, the Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes, independence of Directors and other matters in accordance with Section 178 of the Companies Act, 2013.

The Board has also formulated a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel. The policy is available on the website of the company at http://www.ptil.prabhatgroup.net/documents/6946445306_remuneration_policy.pdf.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, the Company has not appointed any Independent Directors as required under Section 149 of the Companies Act 2013.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 (1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this report as "**Annexure - II**".

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as "**Annexure - II**".

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company to email ID: info@prabhatgroup.net.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Harish Arora & Associates, chartered accountants, (Firm Registration No. 015226C) were appointed as the statutory Auditor of the Company at the 12th Annual General Meeting of the Company, for a period of five (5) consecutive years from the conclusion of 12th Annual General Meeting till the conclusion of the 17th

Annual General Meeting of the Company, on such remuneration as may be recommended by the Audit Committee and mutually agreed, between the Board of Directors and the Auditors plus out of pocket expenses as may be incurred.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORTS:

There is a qualified Opinion made by M/s. Harish Arora & Associates., Statutory Auditors, in their Audit Report.

QUALIFICATION ON AUDITORS' REPORT:

i. Auditors' Qualification:

Item No.06 of the accompanying Standalone Financial Results stating therein that the impairment of Assets/Liabilities have been worked out on the Basis of Valuation Report certified by registered valuer. We have relied upon the valuations of assets and impairment workings as per the Certificate provided to us by the RP pertaining to valuations of assets and its impairment as Certificate of Valuation Certificate could not be provided to us as per the terms of Insolvency regulation 35(2) and other relevant provisions of I BC, 2016. Also, calculation of Deferred Tax has been done accordingly on the basis of aforesaid mentioned values.

Management opinion:

The management is unable to share the valuation reports carried out under CIRP owing to restrictions under Law. However, the Resolution Professional has provided the certificate based on the valuation carried out under the CIRP for impairment provision.

ii. Auditors' Qualification:

Note No. 3 of the accompanying Standalone Financial Results which states that the Company has recognised Non-sustainable Debt pursuant to CIRP as part of Reserves on the basis of the decision taken as part of COC resolution meeting approved by 98.15% COC Members through vote. This adjustment considered to be event after balance sheet date, as per the COC Committee and is recognised in the financial results. However, such transactions are subject to NCLT approval and should have been acknowledged on duly confirmation/acceptance from the NCLT court.

Management opinion:

Management believes that the aforesaid adjustment is important and could impact the decision of the reader of the Financial Statements. Therefore, the same has been considered as adjusting event.

iii. Auditors' Qualification:

We did not audit financial statement of subsidiary company i.e. Prabhat Telecom Hongkong Limited included in the consolidated financial statements; whose financial statements reflected total asset of Rs. Nil as at March 31, 2020 as well as the total revenue of Rs. Nil for the year ended March 31, 2020. This annual financial statements and other financial information have been unaudited and are provided by the management on the basis of provisional financial statements. Valuation Report pertaining to these investments are not provided to us. Therefore, we are unable to comment and determine any adjustments to be made to this amount. Financial Results are prepared by Management on provisional figures. Our opinion on these financial statements to the extent they have been derived from such kind of financial statements is based solely on the information provided by the management.

Management opinion:

The subsidiary company i.e. Prabhat Telecom Hongkong Limited has no commercial activity and assets and liabilities during the year F.Y. 2019-20. Therefore, the Audit Report was not applicable to the Company and accordingly no Audit has been undertaken by the Company.

INTERNAL AUDITORS:

During the year, Company has appointed M/s. Bharat J. Rughani & Co. as an Internal Auditor for the Financial Year 2019-20 to conduct Internal Audit on such terms and conditions as decided mutually.

EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE COMPANY SECRETARY IN PRACTICE IN SECRETARIAL AUDIT REPORT:

The Board in their meeting held on August 31, 2020 appointed M/s. Mamta Devpura & Associates (Membership No.: A51792), Company Secretary in Practice, for conducting Secretarial Audit for the F.Y. 2019-20 pursuant to the provisions of Section 204 (1) of the Act, Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 24A of SEBI (LODR) Regulation, 2015.

The Secretarial Audit Report as received from M/s. Mamta Devpura & Associates, Secretarial Auditor is appended to this Report as "Annexure - V".

The management's opinions on the following observations made by the Secretarial Auditor are:

i. Auditors' Qualification:

Compliance officer of the Company was resigned on 19th December, 2019 and new Compliance officer was not appointed till the 31st March 2020. However, Company has been appointed new Compliance officer on 9th December 2020.

Management opinion:

The Company met best endeavours during the remaining period of the year, but due to the financial constraint, CIR Process and the Covid-19 situation, the Company was not able to find the best suitable personnel for the same. However, the Company has appointed new Compliance officer on 9th December 2020.

ii. Auditors' Qualification:

Intimation for Closure of Trading Window as per SEBI (Prohibition of Insider Trading) Regulations, 2015 for the quarter ended 30th June, 2019 was not given to BSE Limited.

Management opinion:

The Company took the note of the same will comply with the above mentioned provision.

iii. Auditors' Qualification:

The Company is yet to update its website under Regulation 46 of the SEBI (LODR) Regulations, 2015.

Management opinion:

The Company will do the needful in due course.

iv. Auditors' Qualification:

The FLA (Foreign Liabilities and Assets) return required to be filed on annual basis on or before 15th July of every year under FEMA, 1999 has not been complied with.

Management opinion:

The Company will do the needful in due course.

EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in Form No. MGT-9 is annexed to this report in "Annexure -III". The annual return for the financial year 2019-20 is uploaded on the website of the Company and can be accessed at www.prabhatgroup.net.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties as prescribed in Form No. AOC-2 of the Companies (Accounts) Rules, 2014, is annexed to this report as "Annexure -IV". Details of related party transactions are given in the notes to the financial statements.

The policy on Related Party Transactions of the Company ensures proper approval and reporting of the concerned transactions between the Company and its related parties.

The policy on Related Party Transactions is a part of the annual report and is also placed on the Company's website and can be accessed at http://www.ptil.prabhatgroup.net/documents/3013084255_policy_on_related_party_transaction.pdf.

DEPOSITS:

The Company has not accepted any public deposits as defined under Section 73 (1) of the Companies Act, 2013 during the Financial Year 2019-20.

IMPACT OF COVID-19:

In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. The Company has used assumptions based on current indicators of future economic conditions and based on the same the Company expects to recover the carrying amount of these assets. Further, the management is continuously assessing the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not materially impact the current Financial Year ended March 31, 2020, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is difficult. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy and Technology Absorption are as follows:

❖ Conservation of Energy

The company has taken various in-house measures to conserve the electricity and energy.

❖ Technology Absorption

Technology absorption and innovation is a continuous process in the company.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The relevant information in respect of the foreign exchanges earnings and outgo for the year ended on March 31, 2020 is as follows:

Earnings: Nil

Outgo: Rs. 26, 60,846 /-

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There are no underlying shares for which dividend has remained unpaid or unclaimed for a consecutive period of seven years. Therefore, there is no transfer of the same to the Investor Education Protection Fund.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

As regards investments made by the Company, the details of the same are provided under notes to the financial statements of the Company for the year ended March 31, 2020. The Details of investments covered under section 186 of the Companies Act, 2013 will be produced for verification to the members at the Registered Office of the company on their request.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

The Statutory Auditor and Secretarial Auditor of your Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

The certificate from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

INTERNAL CONTROL AND ITS ADEQUACY:

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from Independent Internal Auditors of the Company.

RISK MANAGEMENT POLICY:

The Company has a Risk Management framework to identify measure and mitigate & articulate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operations risks.

CHANGE IN THE NAME OF THE COMPANY:

During the year under review, there was no change in the name of the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

In terms of the order dated October 19, 2020 of the Hon'ble National Company Law Tribunal – Mumbai Benchat Mumbai ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from October 10, 2019. Shri Rajendra K. Bhuta, having Registration No. (IBBI/IPA-001/IP-P00141/2017/18/10305) was appointed as Interim Resolution Professional in terms of the NCLT Order.

SECRETARIAL STANDARDS:

During the financial year 2019-20, the Company has complied with the applicable provisions of Secretarial Standards issued by The Institute of Company Secretaries of India.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As stated above, Members are informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stand suspended w.e.f October 10, 2019 and no meetings of Audit Committee were held thereafter.

Prior to CIR Process, your Company has adopted a Vigil Mechanism/Whistle Blower Policy in terms of the provisions of Companies Act, 2013 and the Listing Regulations, to provide a formal mechanism to the Directors and employees of the Company to report their genuine concerns and grievances about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company and the web link to the same is http://www.ptil.prabhatgroup.net/documents/8557421140_internal_investigations_policy.pdf.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE:

"The company has adopted a Policy on prevention of Sexual Harassment at the Workplace in line with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder.

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to redress complaints received regarding sexual harassment. During the financial year 2019-20, no cases in the nature of sexual harassment were reported by the ICC of the company.

The Company's policy on the same is placed on the Company's website at www.prabhatgroup.net

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

POSTAL BALLOT:

During the year 2019-20, no Postal Ballot was conducted by the Company.

SHARE CAPITAL:

The Paid Up Equity Capital as on March 31, 2020 was Rs. 10,70,62,770/-.

OTHERS:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1. BUY BACK OF SECURITIES:** The Company has not bought back any of its securities during the year under review.
- 2. SWEAT EQUITY:** The Company has not issued any Sweat Equity Shares during the year under review.
- 3. BONUS SHARES:** No Bonus Shares were issued during the year under review.
- 4. EMPLOYEES STOCK OPTION PLAN:** The Company has not provided any Stock Option Scheme to the employees.
- 5. FURTHER / RIGHT ISSUE:** The Company has not issued any Equity Shares during the year under review through Private Placement or on rights basis.

ACKNOWLEDGEMENT:

Your Directors wishes to express sincere thanks to Members, Bankers, Clients, Financial Institutions, Customers, Suppliers and Employees of Companies for extending support during theyear. Your Directors express their deep sense of appreciation towards all the employees and staff of the company and wish the management all the best for achieving greater heights in the future.

Your directors also place on record their appreciation for the hard work and dedication of all its subsidiary companies for their consistent support and co-operation to the Company.

Last and most importantly, your directors remain extremely grateful to all the medical professionals and first hand responders who are working tirelessly to save lives and contain the spread of the pandemic.

For and on behalf of the Board

Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-

Rajendra K. Bhuta

IRP

IBBI/IPA-001/IP-P00141/2017 /18/10305

Registered Office: 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai 400066

Place: Mumbai

Date: March 08, 2021

**STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS
OF SUBSIDIARIES AND JOINT VENTURE COMPANIES**

Part "A": Subsidiaries

| Sr. No. | Particulars | Details | Details |
|---------|--|--|---|
| 1. | Name of the subsidiary | Prabhat Telecoms Hong Kong Limited | Prabhatech Global Electronics Private Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | April 01, 2019 to March 31, 2020 | April 01, 2019 to March 31, 2020 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Hong Kong Dollar 1 HKD = 9.71825 INR as on March 31, 2020 | INR |
| 4. | Share capital | HK\$ 0 | 10,00,000 |
| 5. | Reserves & surplus | HK\$ 0 | -10,62,920 |
| 6. | Total assets | HK\$ 0 | 8,43,289 |
| 7. | Total Liabilities | HK\$ 0 | 8,43,289 |
| 8. | Investments | - | - |
| 9. | Turnover | HK\$ 0 | - |
| 10. | Profit before taxation | HK\$ 0 | -10,53,175 |
| 11. | Provision for taxation | HK\$ 0 | - |
| 12. | Profit after taxation | HK\$ 0 | -10,53,175 |
| 13. | Proposed Dividend | - | - |
| 14. | % of shareholding | 100% | 99.99% |

Part "B": Associates and Joint Ventures

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

| | | |
|--|-----------|-----------|
| NAME OF ASSOCIATES/JOINT VENTURES | NA | NA |
| 1. Latest audited Balance Sheet Date | NA | NA |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | NA | NA |
| No. | NA | NA |
| Amount of Investment in Associates/Joint Venture | NA | NA |
| Extend of Holding% | NA | NA |
| 3. Description of how there is significant influence | NA | NA |
| 4. Reason why the associate/joint venture is not consolidated | NA | NA |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | NA | NA |
| 6. Profit/Loss for the year | NA | NA |
| Considered in Consolidation | NA | NA |
| Not Considered in Consolidation | NA | NA |

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

DISCLOSURES ON MANAGERIAL REMUNERATION

[As required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) and (3) of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- I. **Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2020 and the percentage increase in the remuneration of each Director and Key Managerial Personnel(KMP) in the financial year ended March 31, 2020 is as under:**

| Name of Director/ KMP | Ratio of remuneration of each Director to the median remuneration of Employees | (%) increase in remuneration |
|--|--|------------------------------|
| Executive Directors | | |
| Vishwamani Matamani Tiwari - Chairman & Managing Director | 0.67 | - |
| Parag Malde - Whole-time Director | 1.83 | - |
| Nutan Singh* - Additional Executive Whole time Woman Director | 0.71 | - |
| Non-Executive Directors | | |
| Nidhi Dodhia - Independent Director | - | - |
| Geeta Bhosle - Independent Director | - | - |
| Alberto Agostino Mario Zummo - Independent Director | - | - |
| Key Managerial Personnel | | |
| Parag Malde - Chief Financial Officer | 1.83 | - |
| Meghana Ekanath Kashte# - Company Secretary and Compliance Officer | 0.60 | 25% |

*Ms. Nutan Singh resigned from the post of directorship with effect from October 10, 2019.

#Ms. Meghana Ekanath Kashte resigned from the post of Company Secretary and Compliance Officer with effect from December 19, 2019.

Non-Executive/Independent Directors

During the Financial Year 2019-20, there was no commission paid to non-executive/independent directors. Further details are provided in Form No. MGT- 9.

II. Number of permanent employees

The Company had total 13 employees as of March 31, 2020

III. Percentage increase in the median remuneration of employees in FY 2020

The percentage increase in the median remuneration of employees in the financial year ended March 31, 2020 stood at 0.37%.

IV. Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration

The average increase in the remuneration of all employees was 0.37% in FY 2020. The average increase in remuneration of managerial personnel stood at 2.30%

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further, the criteria for increase in remuneration of non-managerial personnel is based on an internal evaluation of Key Result Areas (KRAs), while the increase in remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination and Remuneration Committee of Directors and approved by the Board of Directors.

There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

It is hereby affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.

**FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2020[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

| | |
|--|---|
| CIN | L72100MH2007PLC169551 |
| Registration Date | 02/04/2007 |
| Name of the Company | Prabhat Technologies (India) Limited |
| Category / Sub-Category of the Company | Company Limited by Shares, Indian Non-Government Company |
| Address of the Registered Office and contact details | Unit no. 402, Western Edge 1, Kanakia Express, Western Express Highway, Borivali (East), Mumbai - 400066 Contact No. 022 - 40676000 Email: www.prabhatgroup.net |
| Address of the Corporate office | Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai 400066 Contact No. 022 40676000 |
| Whether listed company | Listed |
| Name, address and contact details of Registrar and Transfer Agent, if any | Cameo Corporate Services Ltd #1 Club House Road, Chennai 600 002 044 - 28460390 E-Mail: cameosys@cameoindia.com |

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|---------|---|---------------------------------|------------------------------------|
| 1. | Manufacture of pagers, cellular phones and other mobile communication equipment | 26305 | 100% |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

| SR. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1. | Prabhat Telecoms Hong Kong Limited | - | Subsidiary | 100% | 2(87) |
| 2 | Prabhatech Global Electronics Private Limited | U32302MH2018PTC309377 | Subsidiary | 99.99% | 2(87) |

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

i. CATEGORY-WISE SHARE HOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year (01/04/2019) | | | | No. of Shares held at the end of the year (31/03/2020) | | | | % of Change during the year |
|--|--|----------|------------------|-------------------|--|----------|------------------|-------------------|-----------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual / HUF | 69,13,461 | 0 | 69,13,461 | 64.57 | 68,14,812 | 0 | 68,14,812 | 63.65 | -0.92 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporate | 5,62,116 | 0 | 5,62,116 | 5.25 | 5,47,116 | 0 | 5,47,116 | 5.11 | -0.14 |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1): | 74,75,577 | 0 | 74,75,577 | 69.82 | 73,61,928 | 0 | 73,61,928 | 68.76 | -1.06 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(2): | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | 74,75,577 | 0 | 74,75,577 | 69.82 | 73,61,928 | 0 | 73,61,928 | 68.76 | -1.06 |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | 1,30,500 | 0 | 1,30,500 | 1.22 | 1,83,300 | 0 | 1,83,300 | 1.71 | 0.49 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|--------------------|----------|--------------------|---------------|--------------------|----------|--------------------|---------------|-------------|
| Funds | | | | | | | | | |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B)(1): | 1,30,500 | 0 | 1,30,500 | 1.22 | 1,83,300 | 0 | 1,83,300 | 1.71 | 0.49 |
| (2) Non-Institutions | - | - | - | - | - | - | - | - | - |
| a) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| i) Indian | 16,99,744 | 0 | 16,99,744 | 15.88 | 18,87,263 | 0 | 13,40,147 | 12.52 | -3.36 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individual | - | - | - | - | - | - | - | - | - |
| i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh | 2,41,623 | 0 | 2,41,623 | 2.256 | 2,33,952 | 0 | 2,33,952 | 2.18 | -0.07 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh | 10,29,337 | 0 | 10,29,337 | 9.61 | 14,43,624 | 0 | 14,43,624 | 13.48 | 3.87 |
| c) Other (Specify) | - | - | - | - | - | - | - | - | - |
| d). Any Other | | | | | | | | | |
| Clearing Members | 12,907 | 0 | 12,907 | 0.12 | 28,679 | 0 | 28,679 | 0.27 | 0.15 |
| Hindu Undivided Families | 1,16,369 | 0 | 1,16,369 | 1.09 | 1,14,646 | 0 | 1,14,646 | 1.07 | -0.01 |
| Non Resident Indians | 220 | 0 | 220 | 0.00 | 1 | 0 | 1 | 0.00 | -0.002 |
| Sub-Total (B)(2): | 31,00,200 | 0 | 31,00,200 | 28.96 | 31,61,049 | 0 | 31,61,049 | 29.52 | 0.56 |
| Total Public Shareholding (B)= (B)(1) +(B)(2) | 32,30,700 | 0 | 32,30,700 | 30.17 | 33,44,349 | 0 | 33,44,349 | 31.24 | 1.05 |
| TOTAL (A)+(B) | 1,07,06,277 | 0 | 1,07,06,277 | 100.00 | 1,07,06,277 | 0 | 1,07,06,277 | 100.00 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 1,07,06,277 | 0 | 1,07,06,277 | 100.00 | 1,07,06,277 | 0 | 1,07,06,277 | 100.00 | 0 |

ii. SHAREHOLDING OF PROMOTERS – EQUITY SHARES

| Shareholders Name | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % of Change in share holding during the year |
|-----------------------------------|---|----------------------------------|--|---|----------------------------------|--|--|
| | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | |
| Mr. Vishwamani Tiwari | 65,97,645 | 61.62 | - | 62,79,996 | 58.66 | - | -2.96 |
| Mrs. Prabha Tiwari | 65,796 | 0.61 | - | 2,84,796 | 2.66 | - | 2.05 |
| Mr. MatamaniDhar amraj Tiwari | 1,22,400 | 1.14 | - | 1,22,400 | 1.14 | - | - |
| Mrs. GouriKutty | 1,20,360 | 1.12 | - | 1,20,360 | 1.12 | - | - |
| Mr. Chandramani Tiwari | 7,260 | 0.07 | - | 7,260 | 0.07 | - | - |
| M/s Vee Three Informatics Limited | 5,62,116 | 5.25 | - | 5,47,116 | 5.11 | - | -0.14 |
| Total | 7,47,5577 | 69.82 | - | 73,61,928 | 68.76 | - | -1.06 |

iii. CHANGE IN PROMOTERS' SHAREHOLDING AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

| For Each Top 10 Share Holders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|--|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| MR. VISHWAMANI MATAMANI TIWARI | | | | |
| At the beginning of the year | 65,97,645 | 61.62 | 65,97,645 | 61.62 |
| Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.Allotment/transfer/bonus/sweat equity etc): | 1.)(2,500)shares- 10.01.2020 2.)(1,13,430) shares - 17.01.2020 3.)(1,719) shares - 07.02.2020 4.)(2,00,000) shares - 17.02.2020 | - | - | - |
| At the end of the year | 62,79,996 | 58.66 | 62,79,996 | 58.66 |
| MRS. PRABHA TIWARI | | | | |
| At the beginning of the year | 65,796 | 0.61 | 65,796 | 0.61 |
| Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc): | 1.)18,195 shares - 17.05.2019 2.)805 Shares - 24.05.2019 3.)2,00,000 shares - 17.02.2020 | - | - | - |
| At the end of the year | 2,84,796 | 2.66 | 2,84,796 | 2.66 |

| VEE THREE INFORMATICS LTD. | | | | |
|---|--|------|----------|------|
| At the beginning of the year | 5,62,116 | 5.25 | 5,62,116 | 5.25 |
| Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc): | 1.)(95,000) shares – 13.03.2020 2.)(80,000)shares- 23.03.2020 | - | - | - |
| At the end of the year | 5,47,116 | 5.11 | 5,47,116 | 5.11 |

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| For Each of the Top 10 Shareholders | Shareholding at the beginning of the year (01/04/2019) | | Change in Shareholding (No. of Shares) | | Shareholding at the end of the year (31/03/2020) | |
|---|--|----------------------------------|--|--------|--|----------------------------------|
| | No. of shares | % of total shares of the Company | Increase/ (Decrease) in shareholding | Reason | No. of shares | % of total shares of the Company |
| Esaar India Limited | 4,54,025 | 4.24% | 1,46,451 | - | 6,00,476 | 5.65% |
| Veerath Gopalan Nair | - | - | 2,49,100 | - | 2,49,100 | 2.33% |
| Canara Bank-New Delhi | - | - | 1,83,300 | - | 1,83,300 | 1.71% |
| Mansukh Commodity Futures Private Limited | 1,65,000 | 1.54% | - | - | 1,65,000 | 1.54% |
| Arvind Shah | 2,10,211 | 1.96% | -77,555 | - | 1,32,656 | 1.24% |
| Master Capital Services Ltd | - | - | 1,14,149 | - | 1,14,149 | 1.07% |
| Motilal Oswal Financial Services Ltd-Client | 3,84,872 | 3.54% | -2,89,872 | - | 95,000 | 0.89% |
| Ambe Securities Private Limited | 10,866 | 0.10% | 659,05 | - | 76,771 | 0.71% |
| Mehul Hasmukh Bhai Shah | - | - | 46,361 | - | 46,361 | 0.43% |
| Dimple P Sheth | 17,398 | 0.16% | 28,917 | - | 46,315 | 0.43% |

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year (01.04.2019) | | Cumulative Shareholding during the year (31.03.2020) | |
|---------|--|--|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Mr. Vishwamani Matamani Tiwari | 62,79,996 | 58.66 | 62,79,996 | 58.66 |
| 2. | Mr. Parag Rameshchandra Malde | 2,79,541 | 2.61 | 2,79,541 | 2.61 |

5. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2020:

(Amount in lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i.Principal Amount | 9193.27 | 771.86 | - | 9965.13 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ ii+ iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | 1469.93 | - | 1469.93 |
| Reduction | 5193.27 | - | - | 5193.27 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | 4000 | 2241.79 | - | 6241.79 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i+ ii+ iii) | 4000 | 2241.79 | - | 6241.79 |

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: | | | | |
|---|---|----------------------------|-----------------------|-----------------|
| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
| | | Mr. Vishwamani Tiwari (MD) | Mr. Parag Malde (WTD) | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,97,000 | 3,36,000 | 5,33,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | | | |
| | - others, specify... | | | |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 1,97,000 | 3,36,000 | 5,33,000 |

| B. REMUNERATION TO OTHER DIRECTORS: | | | | | |
|--|--|-------------------------|--------------------------|------------------------|---------------------|
| Sr. No | Particulars of Remuneration | Name of Director | Name of Director | Name of Director | Total Amount |
| 1. | Independent Director | Mrs. NidhiDodhia | Mr. Alberto Zummo | Ms. GeetaBhosle | |
| | -Fee for attending Board/Committee Meetings- | - | - | | - |
| | Commission | - | - | | - |
| | - Others, please specify | - | - | | - |
| | Total (1) | - | - | | - |
| 2 | Other Executive Directors | Ms. NutanSingh | None | None | Total Amount |
| | Gross Salary | 2,48,343 | - | - | 2,48,343 |
| | -Fee for attending Board/Committee Meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | - Others, please specify | - | - | - | - |
| | Total (2) | 2,48,343 | - | - | 2,48,343 |
| | Total B= 1+2 | 2,48,343 | - | - | 2,48,343 |
| | Total Managerial Remuneration | 2,48,343 | - | - | 2,48,343 |
| | Other Ceiling as per Act | | | | |

| C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: | | | | |
|---|---|---------------------------------|----------------------------|-----------------|
| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
| | | Mr. Parag Malde (CFO) | Ms. Meghana Kashte* | Total |
| 1. | Gross Salary | 3,36,000 | 1,79,000 | 5,15,000 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Options | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | - Others, specify.... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | TOTAL | 3,36,000 | 1,79,000 | 5,15,000 |

*Resigned from the post of Company Secretary with effect from 19.12.2019.

7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|-------------------------------------|--------------------------|--|-----------------------------------|--|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board

Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-

Rajendra K. Bhuta

IRP

IBBI/IPA-001/IP-P00141/2017 /18/10305

Registered Office: 402, Western Edge I,
 Kanakia Spaces, Western Express Highway,
 Borivali (East), Mumbai 400066

Place: Mumbai

Date: March 08, 2021

FORM 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 Act including certain arm's length transactions under third proviso thereto:

1) Details of material contracts or arrangements or transactions not at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 |
|--|---|---|--|--|----------------------------------|---------------------------------|---|
| N.A. - As there were no transactions during the year which were not at arm's length. | | | | | | | |

2) Details of contracts or arrangement or transactions at arm's length basis:
(Amount in lakhs)

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Date(s) of approval by the Board | Nature of Relationship | Amount paid as advances, if any |
|---|---|---|----------------------------------|------------------------|---------------------------------|
| Prabhat Enterprises | Loan taken of Rs. 7.00 | On-going | 31.08.2020 | - | - |
| | Loan repaid of Rs. 0.04 | On-going | 31.08.2020 | - | - |
| V. M. Tiwari | Loan taken of Rs. 381.54 | On-going | 31.08.2020 | - | - |
| | Loan repaid of Rs. 381.54 | On-going | 31.08.2020 | - | - |
| | Managerial Remuneration of Rs. 1.97 | - | 31.08.2020 | - | - |
| Parag Malde | Loan repaid of Rs. 31.02 | On-going | 31.08.2020 | - | - |
| | Managerial Remuneration of Rs. 3.36 | - | 31.08.2020 | - | - |
| Prabhatech Global Electronics Private Limited | Loan Given of Rs. 4.01 | On-going | 31.08.2020 | - | - |
| Vee Three Informatics Limited | Sale of Goods of Rs. 1988.07 | - | 31.08.2020 | - | - |
| | Purchase of Goods of Rs. 1397.38 | - | 31.08.2020 | - | - |

| | | | | | |
|---------------|-----------------------------|---|------------|---|---|
| Meghna Kashte | Remuneration of Rs. 1.79 | - | 31.08.2020 | - | - |
|---------------|-----------------------------|---|------------|---|---|

For and on behalf of the Board

Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-

Rajendra K. Bhuta

IRP

IBBI/IPA-001/IP-P00141/2017 /18/10305

Registered Office: 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East), Mumbai 400066

Place: Mumbai

Date: March 08, 2021

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
PRABHAT TECHNOLOGIES (INDIA) LIMITED
Unit No. 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East) Mumbai- 400066

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRABHAT TECHNOLOGIES (INDIA) LIMITED** hereinafter called "**the Company**") CIN: L72100MH2007PLC169551. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions of the applicable acts listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 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;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable during the period of audit].
 - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit].

- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit].
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit].
- i) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; [Not applicable during the period of audit].

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreement entered into by the Company with BSE Limited read with the 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 *except* the following.

- (i) The Company has continued to default in repayment of dues to the Banks/Financial Institutions. The said account has been classified as Non-performing Assets (NPA) by Banks.**
- (ii) Compliance officer of the Company was resigned on 19th December, 2019 and new Compliance officer was not appointed till the 31st March 2020. However Company has been appointed new Compliance officer on 9th December 2020.**
- (iii) Intimation for Closure of Trading Window as per SEBI (Prohibition of Insider Trading) Regulations, 2015 for the quarter ended 30th June, 2019 was not given to BSE Limited;**
- (iv) Company has not published/advertised Notice of Board Meetings held on 14th November, 2019 & 10th February, 2020 and the Company also not published/advertised the Financial Result for the Quarter ended 30th September, 2019 and 31st December, 2019 due to financial constraints.**
- (v) The Company has not been conducted the Audit Committee meeting for review and adopt the un-audited financial Results for the quarter ended 30th September, 2019 and 31st December, 2019 under Regulation 18(2) of the SEBI (LODR) Regulations, 2015 as the Company does not have the Audit committee from 10th Oct, 2019. A Company m/s. Paramount Consultant and Corporate Advisors Private Limited, (Financial Creditor / Petitioner) was filed an application u/s 7 of IBC code, 2016 read with Rule 6 of IBC (Application of Adjudication Authority) Rules 2016 and same was admitted vide order dated 10th October, 2019 by Hon,ble NCLT, Mumbai Bench having CP No. 1874/NCLT/MB/2019. The company is still under the Insolvency proceeding and Mr. Rajendra K Bhuta is the Interim Resolution Professional of the company.**
- (vi) The Company has not been conducted the Stakeholder Relationship Committee Meeting during the Financial Year 2019-20 under Regulation 20(3) of the SEBI (LODR) Regulations, 2015. No meeting has been conducted before 10th October, 2019 and the Company does not have Stakeholder Relationship Committee from 10th Oct, 2019 as the company is under Insolvency Proceedings u/s 7 of IBC code, 2016.**
- (vii) The Company is yet to update its website under Regulation 46 of the SEBI (LODR) Regulations, 2015.**

- (viii) **The Company has not given prior intimation for Meeting held on 14th November, 2019 chaired by Mr. Rajendra K Bhuta, Interim Resolution Professional for approval of financial result for the quarter and half year ended 30th September, 2019 under the impression that the Board was no more in existence. However the Meeting Intimation could be given. While filing the Outcome, BSE prompted the Intimation date and hence the Outcome of the Meeting could not be filed. The Company properly uploaded the Results finalized in the Meeting chaired by Mr. Rajendra K Bhuta, Interim Resolution Professional for the company.**
- (ix) **The FLA (Foreign Liabilities and Assets) return required to be filed on annual basis on or before 15th July of every year under FEMA, 1999 has not been complied with.**
- (x) **Annual Report were sent by the Company through email to 204 members out of total 536 members and the same was verified by me. However Annual Report sent in physical / courier could not be verified due to ongoing COVID-19 Pandemic.**

I further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, Committee Meetings, Agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided and the representation made by the Company Secretary, taken on record by the Board of Directors of the Company, in my opinion, 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 under review, the Company has not undertaken any events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **MAMTA DEVPURA & ASSOCIATES**

Company Secretaries

Sd/-

[CS Mamta Devpura]

Proprietor

M. No. : ACS 51792

COP No.: 19242

UDIN : A051792B003918512

PLACE: MUMBAI

DATE: 1ST MARCH, 2021

Note: This report is to be read with my letter of even date that is annexed as Annexure I and forms an integral part of this report.

'ANNEXURE I' to Secretarial Audit Report

To,
The Members,
PRABHAT TECHNOLOGIES (INDIA) LIMITED
Unit No. 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East) Mumbai- 400066

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

- i. Maintenance of secretarial records is the responsibility of management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- ii. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- iv. Wherever required, I have obtained the Management Representation about the compliance of laws, rules, regulations and happening of events, etc.
- v. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- vi. 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.

For **MAMTA DEVPURA & ASSOCIATES**
Company Secretaries

Sd/-
[CS Mamta Devpura]
Proprietor
M. No. : ACS 51792
COP No.: 19242
UDIN: A051792B003918512

PLACE: MUMBAI
DATE: 1ST MARCH, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

India ranks second in terms of number of telecommunication subscriptions, internet subscribers and app downloads globally.

With 70 % percent of the population staying in the rural areas, the rural market would be a key growth driver in the coming years.

India has witnessed a 165% growth in app downloads in the past two years.

The government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies. The Department of Information Technology intends to set up over 1 million internet-enabled common service centers across India as per the National e-Governance Plan.

FDI cap in the telecom sector has been increased to 100 per cent from 74 per cent; out of 100 per cent, 49 per cent will be done through automatic route and the rest will be done through the FIPB approval route.

The Government of India has introduced Digital India Programme under which all the sectors such as healthcare, retail, etc. will be connected through internet

COMPANY OUTLOOK:

Prabhat was established in 1997 as a telecom technical support company by the name Prabhat Enterprises. In 2004, Prabhat ventured in Sales and Distribution and further extended its arms into manufacture and assembly of the brand "Xcess & V3 Mobiles".

Every Prabhat Group company operates independently. Each of these companies has its own directors and shareholders, to whom it is answerable. The major Prabhat companies are Prabhat Technologies (India) Ltd. & Vee Three Informatics Limited.

Prabhat Technologies (India) Ltd., a Company engaged into design, assemble, and customize import and distribution of mobile handsets, wireless dongles / data-cards, data products and mobile / telecom accessories. We sell mobiles and internet data cards & smart phones / tablets, fixed wireless terminal and high end telecom devices under brand name "Xcess". We sell our product to chain of distributors PAN India through distribution channel tie-ups with the operator.

The company has started to design, assemble and manufacture the telecom product under its own in-house brand in 2011. The company started to design and assemble the telecom devices like CDMA Mobile Handsets, CDMA Data Cards, FWT, Wi-Fi Routers, accessories etc under its own brand. The GSM feature handsets are designed, assembled and distributed under the brand name "Xcess". Similarly the data product and smart phone Fixed, wireless Terminal, Tablet and other high end telecom devices are designed, assembled and distributed under the brand "Xcess". The company has recently launched its brand "Xcess" in online E-Commerce platforms which deal with Cosmetics, Books & Stationeries, Computer Accessories, Fashion Accessories, Gift items, Home Décor, House Hold products, Toys, Garments, Clothes, Car Accessories, Electrical Goods, Home Appliances and Travel Accessories.

This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

Our Company comprises of various divisions, each handling independently into Research & Development, Sales & Distribution and Multi-Branded Retail. The company is now dealing in a variety of telecom products and gadgets like mobile handsets, mobile accessories for hi-end phones, tabs, etc. The total revenue of Prabhat Group, taken together, was around Rs. 27.38 Crores in 2019-20.

We steadily strive to remain at the forefront in terms of both design and technological advancement. Our Company is dedicated to deliver the latest in breath taking technologies to customers in the most quickest and extreme forms.

RISKS AND CONCERNS:

The Company has identified various elements of risks which in its opinion may threaten the existence of the Company and have formulated measures to contain and mitigate risks. The Company has adequate internal control systems and procedures to combat identified risks. The audit committee periodically reviews the risks which may potentially affect the company's operations or performance.

HUMAN RESOURCE:

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of its employees. The Company recognizes that its human resource is its strength in realizing its goals and objectives.

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks from Independent Internal Auditors of the Company.

FINACIAL PERFORMANCE:

The turnover of the company for the year ended 31st March, 2020 was Rs. 2333.65 Lakhs as against the previous year's Turnover of Rs. 12055.31 Lakhs. The loss after taxation for the year under review was Rs. 6552.04 Lakhs as compared to loss of Rs. 403.25 Lakhs for the preceding year.

For and on behalf of the Board

Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-

Rajendra K. Bhuta

IRP

IBBI/IPA-001/IP-P00141/2017 /18/10305

Place: Mumbai

Date: March 08, 2021

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), the Company’s Report on Corporate Governance for the year ended 31st March, 2020 is set out below:

1. CORPORATE INSOLVENCY RESOLUTION PROCESS

The Company is undergoing the Corporate Insolvency Resolution Process (“CIRP”) with effect from October 10, 2019 under the provisions of the Insolvency and Bankruptcy Code, 2016 (“IBC”). During the said process, the powers of the board of directors of the Company were suspended and were being exercised by the Interim Resolution Professional (“IRP”) duly appointed by the Adjudicating Authority which in this case is Hon’ble National Company Law Tribunal, Mumbai (“NCLT”). The Company continued to operate as a going concern and while the RP managed the affairs of the Company from the initiation of CIRP proceeding till the approval of Resolution Plan.

The Resolution Plan submitted by Promoters/ Resolution applicant was approved by the committee of creditors (“CoC”) of the Company. The RP submitted the CoC approved Resolution Plan to the Hon’ble NCLT for its approval.

2. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company’s corporate governance is a reflection of the value system encompassing our culture, policies, and relationship with our stakeholders. Good Corporate Governance leads to long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and stakeholder value.

A company undergoing insolvency resolution process, however, is exempted from the requirement of, amongst others, composition of board of directors, constitution, meetings and terms of reference of the audit committee, constitution, meetings and terms of reference of the nomination and remuneration committee, constitution, meetings and terms of reference of the stakeholders relationship committee as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations”).

The Management strives to adhere to all the Corporate Governance practices which form part of SEBI LODR Regulations, 2015. The Company’s philosophy of Corporate Governance is not only compliant with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders to the extent applicable.

The Company continuously follows the procedure of Corporate Governance for ensuring and protecting the rights of its shareholders by means of transparency, integrity, accountability, trusteeship and checks at the different levels of the management of the Company to the extent applicable.

The Company’s Philosophy is to achieve business excellence and optimize long term Shareholders’ value on a sustained basis by ethical business conduct. The Company is committed to transparency in all its dealings and places strong emphasis on business ethics.

3. BOARD OF DIRECTORS

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code.

A. Composition of Board of Directors (*Prior to the commencement of CIR Process*)

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, prior to CIR Process, no new Directors were appointed on the Board.

Therefore prior to the commencement of CIR Process, the Board of the company comprises of Five (5) Directors. The Board has an optimum combination of executive and non-executive Directors including one (1) woman independent director, two (2) Executive Directors, three (3) Non-Executive Independent Directors. The composition of the board of directors of the Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

The composition of the erstwhile Board of Directors as on CIR Process commencement date i.e. October 19, 2019 is as follows:

| Name of the Director | Category | Number of other Directorships and Committee Memberships/Chairmanships | | | Category of Directorship and name of the other listed Company as on March 31, 2020 | Attendance Particulars | |
|--|--|---|-----------------------|-------------------------|--|------------------------|----------|
| | | Other Directorship | Committee Memberships | Committee Chairmanships | | Board Meeting | Last AGM |
| Vishwamani Matamani Tiwari (DIN: 01932624) | Managing Director & Chairman | 4 | 2 | - | - | 6 | No |
| Parag Malde (DIN: 05354513) | WTD & Chief Financial Officer | 6 | - | - | - | 8 | Yes |
| Alberto Agostino Mario Zummo (DIN: 08071700) | Independent Director | 1 | - | - | - | 1 | No |
| Nutan Singh * (DIN: 07680135) | Additional Executive Whole time Woman Director | 2 | 2 | - | Mobile Telecommunications Limited- Non-Executive - Non Independent Director | 5 | Yes |
| Nidhi Dodhia (DIN: 08327516) | Independent Director | 1 | - | - | - | 6 | No |
| Geeta Bhosle (DIN: 08411922) | Independent Director | 3 | - | - | - | 3 | Yes |

Notes:

- The Directorships, held by Directors as mentioned above, do not include directorship(s) in foreign companies and Section 8 companies incorporated under the Companies Act, 2013. In accordance with Regulation 26 of the SEBI LODR Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.
- The number of Directorship(s) and Committee Membership(s) / Chairmanship(s) of all Directors is / are within the respective limits prescribed under the Companies Act, 2013 and SEBI LODR Regulations.
- *Ms. Nutan Singh resigned from the post of directorship with effect from October 10, 2019.
- In terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 17 of the SEBI LODR Regulations dealing with the requirement of composition of the board of directors. Further, pursuant to the appointment of Interim Resolution Professional the powers of the Board of Directors continued to stand suspended in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

B. Meetings Held (Prior to the commencement of CIR Process)

Members are informed that pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stands suspended w.e.f October 10, 2019 and no Board meeting could be held thereafter.

Prior to the commencement of CIR Process, the Company has held at least one Board meeting in every quarter and the maximum time gap between any two meetings was not more than one hundred and twenty days (120 days), thereby complying with applicable statutory requirements. Further, the Company had total of 6 Board meetings which was held on May 06, 2019, May 31, 2019, August 14, 2019, September 03, 2019, October 03, 2019, and October 07, 2019.

Post the CIR Process, the Company had total of 2 meetings chaired by IRP on November 14, 2019 and February 12, 2020.

C. Inter-se relationship among Directors (Prior to the commencement of CIR Process)

Prior to the commencement of CIR Process, there was no inter-se relationship among the Directors.

D. Shareholding of Directors (Prior to the commencement of CIR Process)

The individual shareholding of erstwhile Directors (including shareholding as joint holder) till the commencement of CIR Process is given below:

| Name of the Director | Designation | No. of shares held |
|---|---------------------------------------|--------------------|
| Vishwamani Matamani Tiwari (DIN: 01932624) | Chairman & Executive Director | 62,79,996 |
| Parag Malde (DIN: 05354513) | Executive Director | 2,79,541 |
| Alberto Agostino Mario Zummo (DIN: 08071700) | Non- Executive – Independent Director | NIL |
| Nutan Singh* (DIN: 07680135) | Executive Director | NIL |
| Nidhi Dodhia (DIN: 08327516) | Non- Executive – Independent Director | NIL |
| Geeta Bhosle (DIN: 08411922) | Non- Executive – Independent Director | NIL |

E. Familiarization Programme for Independent Directors (Prior to the commencement of CIR Process)

Pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stands suspended w.e.f October 10, 2019. Therefore, the Company has established a Familiarization Programme for Independent Directors prior to the commencement of CIR Process. The framework together with the details of the Familiarization Programme conducted has been uploaded on the website of the Company i.e. www.prabhatgroup.net.

F. Core skills/expertise/competencies identified by the Board of Directors (Prior to the commencement of CIR Process)

The following skills / expertise / competencies have been identified for the effective functioning of the Company:

- Technical expertise - Telecom personnel must possess keen technical expertise, sharp judgment, easy flexibility, and a flair for communicating well and partnering with others.
- Knowledge of market requirements – He should be well acquainted with the changes in the market and adapt himself.
- Flexibility - Any leader will have to add to his existing leadership approach an approach to differentiate his organisation and team on parameters such as cost, quality and delivery at the same time being flexible and adaptable to government policies and customer demands on a global scale.

| Director | Skill set |
|----------------------------------|----------------------------------|
| Mr. Vishwamani Matamani Tiwari | Technical expertise |
| Mr. Parag Malde | Flexibility, Knowledge of market |
| Ms. Nutan Singh | Adaptability, Motivation |
| Mr. Alberto Agostino Mario Zummo | Management |
| Mrs. Nidhi Prem Chand Dodhia | Economics |
| Ms. Geeta Krishna Bhosle | Commerce |

G. Role of Non-Executive / Independent Directors (*Prior to the commencement of CIR Process*)

Pursuant to commencement of the CIR process on October 10, 2019 of the Company, the powers of the Board stood suspended and were exercised by the Interim Resolution Professional in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

Therefore, prior to the commencement of CIR Process, the Non-Executive / Independent Directors played a key role in the decision-making process of the Board and shaped various strategic initiatives of the Company. These Directors were committed to act in what they believe to be in the best interests of the Company and its stakeholders. These Directors were professionals, with expertise and experience in general corporate management, corporate laws, finance and other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helped foster varied, unbiased, independent and experienced perspective. The Company benefited immensely from their inputs in achieving its strategic direction.

Further, to the commencement of CIR Process, an Independent Director is the Chairman of the Audit Committee, the Nomination & Remuneration Committee and of the Stakeholders' Relationship Committee.

H. Meeting of Independent Directors (*Prior to the commencement of CIR Process*)

Independent Directors play an important role in the governance process of the Board. They bring to bear their expertise and experience on deliberations of the Board.

Pursuant to commencement of the CIR process of the Company, the powers of the Board stood suspended and were exercised by the interim resolution professional in accordance with the provisions of the Code. Further, prior to CIR Process the Company's Independent Directors met on Monday, May 06, 2019 without the presence of Non-Executive Directors or members of management and reviewed matters pertaining to Performance Evaluation of the Board / Committees and the Directors. All the Independent Directors attended the meeting.

I. Code of Conduct (*Prior to the commencement of CIR Process*)

In terms of provisions of SEBI LODR Regulations, the Board of the Company had, prior to commencement of CIR proceedings, laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. Copies of the aforementioned Codes have been put on the Company's website and can be accessed at www.prahahtgroup.net

J. Information Provided To The Board (*Prior to the commencement of CIR Process*)

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore, the Company has not appointed any Independent Directors as required under Section 149 of the Companies Act 2013.

Further, prior to the commencement of the CIR Process, the Board has unrestricted access to all Company-related information. At Board/Committee meetings, departmental heads and representatives who can provide additional insights into the items being discussed are invited. The Company provides the following information inter alia to the Board, which is given either as part of the agenda or by way of presentations during the meetings, as deemed appropriate:

- a. Annual operating plans and budgets, capital budgets and other updates.
- b. Quarterly, half-yearly and annual financial results of the Company.
- c. Detailed presentations on business strategy, future outlook, capital budget of the Company.
- d. Minutes of meetings of committees of the Board.
- e. The information on recruitment and removal and remuneration of senior officers just below the Board level, including Chief Financial Officer and Company Secretary.
- f. Material show cause, demand, prosecution notices and penalty notices, if any;
- g. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;

- h. Any material default in financial obligations to and by the Company.
- i. Any issue which involves possible public or product liability claims of substantial nature, if any;
- j. Status of compliance of any regulatory, statutory nature or listing requirements and shareholders service;
- k. All proposals requiring strategic decisions;
- l. Regular business updates.

K. COMMITTEES OF THE BOARD (Prior to the commencement of CIR Process)

Prior to the commencement of the CIR process, the Board had constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees were formed with approval of Board and functions under their respective Charters. These committees played an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at a regular interval and took necessary steps to perform its duties entrusted by the Board. The Minutes of the committee meetings were also placed before the Board in the next Board Meeting for noting prior to the commencement of the CIR Process. However, pursuant to initiation of CIRP Process, no committee Meeting was held after 10.10.2020 as the powers of the Board and its committees were suspended.

The Board had established the following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders’ Relationship Committee

The composition, terms of reference, attendance and other details of these Committees are mentioned in this Report.

A. Audit Committee (Prior to the commencement of CIR Process)

Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’ s internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013.

Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 18 of the SEBI LODR Regulations dealing with the requirement of constitution, meetings and terms of reference of the Audit Committee. The powers of the Board of Directors stand suspended in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and accordingly, no meetings of the Audit Committee was held after 10.10.2020.

I. Terms of reference (Prior to the commencement of CIR Process)

The terms of reference of the Audit Committee are aligned with the terms of reference provided under section 177(4) of the Companies Act, 2013 and Part C of Schedule II of the Listing Regulations.

II. Constitution of Committee (Prior to the commencement of CIR Process)

The Audit Committee comprises of three (3) members as per the details in the following table:

| Name of the Member | Designation | Category |
|-------------------------------|--------------------|--------------------------------------|
| Ms. Geeta Krishna Bhosle | Chairperson | Non-Executive - Independent Director |
| Mrs. NidhiPrem Chand Dodhia | Member | Non-Executive - Independent Director |
| Mr. VishwamaniMatamani Tiwari | Member | Executive - Director |

All the members of the committee have sound knowledge of finance, accounts and business management.

III. Meetings and Attendance (Prior to the commencement of CIR Process)

Prior to the commencement of CIR process i.e. 10.10.2020, the Audit Committee met three (3) times on May 30, 2019, August 14, 2019 and September 03, 2019. The frequency of the meetings was as per applicable regulatory requirements and gap between two committee meetings was not more than one hundred and twenty days.

The attendances of each member of the committee are given below:

| Name | Audit Committee meetings held during tenure | Attended |
|-------------------------------|---|----------|
| Ms. Geeta Krishna Bhosle | 3 | 2 |
| Mrs. NidhiPrem Chand Dodhia | 3 | 3 |
| Mr. VishwamaniMatamani Tiwari | 3 | 3 |

B. Nomination & Remuneration Committee (Prior to the commencement of CIR Process)

The objective of the Nomination and Remuneration Committee (NRC) of the Board of Directors is to lay down a framework in relation to remuneration of directors, Key Managerial Personnel and senior management personnel.

Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 19 of the SEBI LODR Regulations dealing with the requirement of constitution, meetings and terms of reference of the NRC. The powers of the Board of Directors stand suspended in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and accordingly, no meetings of the NRC was held after October 10, 2019.

I. Terms of reference (Prior to the commencement of CIR Process)

The terms of references of the Committee are in line with the requirements of the matters specified under Regulation 19 read with Part D of Schedule II to the SEBI LODR Regulations, and the Companies Act, 2013.

II. Constitution of Committee (Prior to the commencement of CIR Process)

The Nomination & Remuneration Committee (NRC) comprises of three (3) members as per the details in the following table:

| Name of the Member | Designation | Category |
|----------------------------------|-------------|--------------------------------------|
| Ms. Geeta Krishna Bhosle | Chairperson | Non-Executive - Independent Director |
| Mrs. NidhiPrem Chand Dodhia | Member | Non-Executive - Independent Director |
| Mr. Alberto Agostino Mario Zummo | Member | Non-Executive - Independent Director |

The Composition of this Committee is in compliance with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

III. Meetings and Attendance (Prior to the commencement of CIR Process)

Prior to the commencement of CIR process i.e. 10.10.2020, the NRC met only once on May 06, 2019.

The attendances of each member of the committee are given below:

| Name | NRC meetings held during tenure | Attended |
|----------------------------------|---------------------------------|----------|
| Ms. Geeta Krishna Bhosle | 1 | 0 |
| Mrs. NidhiPrem Chand Dodhia | 1 | 1 |
| Mr. Alberto Agostino Mario Zummo | 1 | 1 |

IV. Performance evaluation Criteria for Independent Directors (Prior to the commencement of CIR Process)

Prior to the commencement of the CIR Process, the Board of Directors of your Company followed the practice of evaluation the Board of Directors (Including Independent Directors) was undertaken on the basis of a structured questionnaire.

C. Stakeholder Relationship Committee (Prior to the commencement of CIR Process)

The objective of the Stakeholder Relationship Committee (SRC) of the Board of Directors is to resolve the grievances of security holders of the company.

Further, in terms of the SEBI LODR Regulations, a company undergoing CIR process is not required to comply with Regulation 20 of the SEBI LODR Regulations dealing with the requirement of constitution, meetings and terms of reference of the NRC. The powers of the Board of Directors stand suspended in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and accordingly, no meetings of the NRC was held after October 10, 2019.

I. Terms of reference (Prior to the commencement of CIR Process)

The terms of reference of the SRC are aligned with the terms of reference provided under section 178 of the Companies Act, 2013 and Part D of Schedule II of the Listing Regulations.

II. Constitution of Committee (Prior to the commencement of CIR Process)

The Stakeholder Relationship Committee (SRC) comprises of three (3) members as per the details in the following table:

| Name of the Member | Designation | Category |
|-------------------------------|--------------------|--------------------------------------|
| Ms. Geeta Krishna Bhosle | Chairperson | Non-Executive - Independent Director |
| Mr. VishwamaniMatamani Tiwari | Member | Executive - Director |
| Mr. Parag Malde | Member | Executive Director |

The Composition of this Committee is in compliance with requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

III. Meetings and Attendance (Prior to the commencement of CIR Process)

The powers of the Board of Directors stand suspended with effect from October 10, 2019 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and accordingly, no meetings of the NRC was held during the year under review.

IV. Stakeholders Grievance Redressal

No complaint was received during the year under review. There was no outstanding complaint as on March 31, 2020. No requests for transfer and for dematerialization were pending for approval as on March 31, 2020.

The Registrar and Share Transfer Agents (RTA), M/s. Cameo Corporate Services Ltd attends to all grievances of shareholders received directly or through SEBI, Stock Exchanges or the Ministry of Corporate Affairs. Most of the grievances /correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints / queries.

V. Compliance Officer

Ms. MeghanaEkanathKashte, Company Secretary of the company was the compliance officer till December 19, 2019.The company has designated email id investors@prabhatgroup.net to enable stakeholders to email their grievances.

4. GENERAL BODY MEETINGS

A. Details of the Annual General Meetings held during the preceding three years and Special Resolutions passed there at are given below:-

| Sr. No. | Date | Time | Venue | Details of Special Resolution passed |
|-------------------------|------------|-----------|---|---|
| 1. 12th AGM | 28/09/2019 | 2:00 P.M. | Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (E), Mumbai - 400 066 | 1. To re-appoint Mr. VishwamaniMatamani Tiwari (DIN: 01932624) as a Managing Director of the Company. 5. Re-appointment of Mr. Parag RameshchandraMalde (DIN: 05354513) as Whole-Time Director of the Company. |
| 2. 11th AGM | 20/09/2018 | 4:00 P.M. | Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (E), Mumbai - 400 066 | Nil |
| 3. 10 th AGM | 27/09/2017 | 4:00 P.M. | Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (E), Mumbai - 400 066 | 1. Appointment M/s. Mahesh C. Solanki & Co., Chartered Accountants as Statutory Auditors in place of resigning Auditors M/s. Rajiv Sood& Co., Chartered Accountants and fix their remuneration. |

5. MEANS OF COMMUNICATION

The Company recognizes the importance of two-way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in a timely and consistent manner.

Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Some of the modes of communication are mentioned below:

A. Quarterly Results

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website www.prabhatgroup.net.

The approved financial results are published in Financial Express (English) and Mumbai Lakshadweep (Marathi), within forty-eight hours of approval thereof.

B. Website

All the information and relevant policies to be provided under applicable regulatory requirements are available on the website of the company www.prabhatgroup.net in a user-friendly form.

6. GENERAL SHAREHOLDER INFORMATION

A. Day, Date, Time and Venue of the Annual General Meeting

The 13th Annual General Meeting of the Company will be held on Tuesday, March 30, 2021 at 11:00 A.M. at Unit No. 402, 4th Floor, Western Edge – 1, Western Express Highway, Borivali (East), Mumbai – 400066

B. Financial Year

The Company follows the period of 1st April to 31st March, as the Financial Year.

For the period ended March 31, 2020, results were announced for-

| Sr. No. | Particulars | Date |
|---------|------------------------------------|-------------------|
| 1. | First quarter: Reviewed | May 31, 2019 |
| 2. | Second quarter: Reviewed | November 14, 2019 |
| 3. | Third quarter: Reviewed | February 12, 2020 |
| 4. | Fourth quarter and Annual: Audited | December 17, 2020 |

For the period ending March 31, 2021, results were / will be announced by:

| Sr. No. | Particulars | Date |
|---------|------------------------------------|--|
| 1. | First quarter: Reviewed | December 17, 2020 |
| 2. | Second quarter: Reviewed | December 17, 2020 |
| 3. | Third quarter: Reviewed | February 11, 2020 |
| 4. | Fourth quarter and Annual: Audited | On or before May 30, 2021 (Tentative) |

C. Registered Office Address & CIN

Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai - 400066
CIN: L72100MH2007PLC169551

D. Date of Book Closure

Book Closure date: From Wednesday, March 24, 2021 to Tuesday, March 30, 2021

Cut off date: From Tuesday, March 23, 2021

E. Dividend Payment date

No dividend has been recommended for the financial year 2019-2020.

F. Listing on Stock Exchange

The Equity Shares of the Company are listed on -

BSE Limited (BSE)
PherozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Website: www.bseindia.com
Scrip code – 540027

G. Registrars and Share Transfer Agent

Cameo Corporate Services Limited
Subramaniam Building No.1,
Club House Road, Chennai – 600 002
Phone: 28460390 Fax: 044 – 28460129

Email – cameo@cameoindia.com

Website: www.cameoindia.com

H. Plant Location

Address for correspondence:

Unit No. 402, Western Edge I, Kanakia Spaces, Western Express
Highway, Borivali (East) Mumbai, 400066

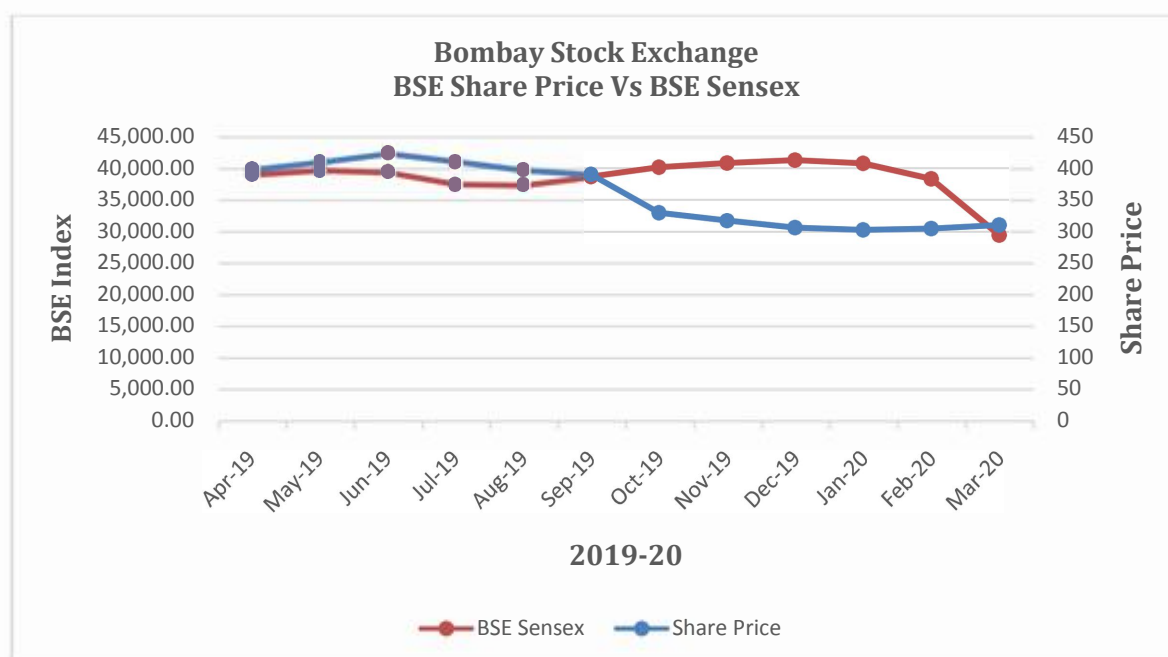
I. Market price data- high, low during each month in last financial year

Monthly 'high' and 'low' closing prices of the shares traded during the period from April 2019 to March 2020 onBSE are given below:

| Month | High | Low | Close | No. of shares |
|----------------|--------|--------|--------|---------------|
| April - 19 | 408.40 | 391.30 | 398.10 | 3,85,584 |
| May - 19 | 415.00 | 391.50 | 410.00 | 3,53,421 |
| June - 19 | 432.45 | 410.00 | 423.50 | 1,03,235 |
| July - 19 | 432.60 | 408.00 | 410.60 | 54,680 |
| August - 19 | 417.95 | 393.00 | 397.25 | 1,26,664 |
| September - 19 | 401.00 | 379.65 | 390.00 | 72,090 |
| October - 19 | 390.00 | 301.45 | 330.00 | 63,995 |
| November - 19 | 339.00 | 303.00 | 317.45 | 41,256 |
| December - 19 | 331.40 | 302.10 | 306.45 | 66,223 |
| January - 20 | 311.00 | 287.85 | 302.95 | 84,793 |
| February - 20 | 316.30 | 287.30 | 305.00 | 33,075 |
| March - 20 | 314.50 | 262.00 | 310.50 | 3,04,088 |

Source: BSE & NSE Website

J. Performance in comparison to broad-based indices:



K. Share Transfer System

For administrative convenience and to facilitate speedy approvals, authority has been delegated to the Share Transfer Agents (RTA) to approve share transfers. Share transfers / transmissions approved by the RTA and/or the authorised executives are placed at the Board Meeting from time to time. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants.

In case of shares held in physical form, all transfers are completed within 15 days from the date of receipt of complete documents. As at March 31, 2020 there were no Equity Shares pending for transfer. Also, there were no Demat requests pending as on March 31, 2020.

The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer and other formalities as required under Regulation 40 of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

L. Dematerialisation of shares and liquidity

Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2020, 1,07,06,277 of the Equity Shares are held in dematerialised form with NSDL and CDSL. SEBI has recently amended relevant provisions of Listing Regulations to disallow listed companies from accepting request for transfer of securities which are held in physical form, with April 1, 2019. The shareholders holding shares in physical form were informed on prohibition on transfer of shares in physical form and demat of shares as per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018 and amendment circular dated 03.12.2018.

M. Distribution of Shareholding as on March 31, 2020

| Category | No. of shares held | % of holding |
|--|--------------------|--------------|
| A. Promoter Holding | | |
| Promoters | - | - |
| Indian Promoters | 73,61,928 | 68.76 |
| Foreign Promoters | - | - |
| Persons acting in concert | - | - |
| TOTAL (A) | 73,61,928 | 68.76 |
| B. Non-Promoters Holding | | |
| 1. Institutions | | |
| a. Mutual Funds | - | - |
| b. Banks/ FIs/Insurance Companies | 1,83,300 | 1.71 |
| c. FIIs | - | - |
| TOTAL B(1) | | |
| 2. Non Institutions | | |
| a. Bodies Corporate | 13,40,147 | 12.52 |
| b. Individuals holding nominal capital up to Rs.1.00 Lakh | 2,33,952 | 2.18 |
| c. Individuals holding nominal capital more than Rs. 1.00 Lakh | 14,43,624 | 13.48 |
| d. Clearing Members | 28,679 | 0.27 |
| e. HUF | 1,14,646 | 1.07 |
| f. NRIs | 1 | 0.00 |
| TOTAL B(2) | 31,61,049 | 29.52 |
| TOTAL B(1) + B(2) | 33,44,349 | 31.24 |
| GRAND TOTAL A +B | 1,07,06,277 | 100 |

N. Shareholding pattern as on March 31, 2020

| Number of equity shares held | Number of shareholders | % of shareholders | Number of shares held | % of shareholding |
|------------------------------|------------------------|-------------------|-----------------------|-------------------|
| Up to 5000 | 190 | 67.38% | 162321 | 1.516% |
| 5,001 – 10,000 | 24 | 8.51% | 178353 | 1.666% |
| 10,001 – 20,000 | 28 | 9.93% | 456970 | 4.268% |
| 20,001 – 30,000 | 8 | 2.84% | 187256 | 1.749% |
| 30,001 – 40,000 | 9 | 3.19% | 299741 | 2.800% |
| 40,001 – 50,000 | 4 | 1.42% | 182176 | 1.702% |
| 50,001 – 1,00,000 | 5 | 1.77% | 397381 | 3.712% |
| 1,00,001 and above | 14 | 4.96% | 8842079 | 82.588% |
| Grand Total | 282 | 100.00% | 10706277 | 100.00% |

7. DISCLOSURES

a. Related Party Transactions

- i. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23(1) of the Listing Regulations during the financial year 2019-20 were undertaken in compliance with the aforesaid regulatory provisions;
- ii. There were no materially significant transactions with related parties during the financial year 2019-20 which were in conflict with the interest of the Company;
- iii. A list of related parties as per the Accounting Standard 18 and the transactions entered into with them in prescribed Form AOC-2 is given separately in this Annual Report under “**Annexure IV**” of the Board Report as well as in the Notes to Accounts annexed to the Balance Sheet as at 31st March 2020 and Statement of Profit & Loss of the Company for the Financial Year ended on that date.
- iv. The Board has approved a policy for related party transactions which has been uploaded on the website of the company www.prabhatgroup.net.

There has been no non compliance by the company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or Stock Exchange or any other regulatory authority does not arise.

Listing fees for the FY 2019-20 have been paid to the stock exchanges on which the shares of the company are listed.

b. Details of Non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years:

The Company has complied with all the requirements of the listing regulation entered with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there were no stricture or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non – compliance of any matter related to the capital markets during the last three years.

c. Vigil Mechanism / Whistle Blower Policy for Directors and Employees

Pursuant to Section 17 of the Code, the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the company are vested with the Resolution professional, viz., Shri Rajendra K. Bhuta and therefore all the powers of the Board stands suspended w.e.f October 10, 2019.

Prior to CIR Process, your Company has adopted a Vigil Mechanism/Whistle Blower Policy in terms of the provisions of Companies Act, 2013 and the Listing Regulations, to provide a formal mechanism to the Directors and employees of the Company to report their genuine concerns and grievances about

unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company and the web link to the same is http://www.ptil.prabhatgroup.net/documents/8557421140_internal_investigations_policy.pdf.

d. SEBI Complaints Redressal System (SCORES)

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints Redressal system. The salient features of this system are centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

e. BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

BSE Listing Centre is web based application systems for enabling corporate to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

8. MANDATORY / NON MANDATORY REQUIREMENTS

a. Mandatory Requirements

The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulation.

b. Non-Mandatory Requirements

i. Details of Subsidiary and Associate Companies:

The Company has the following Subsidiaries as on March 31, 2020:

1. Prabhat Telecoms Hong Kong Limited
2. Prabhatech Global Electronics Private Limited

The above mentioned subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage companies in the best interest of their stakeholders.

ii. Audit Qualifications:

The Company has financial statements with modified audit opinion.

iii. Reporting of Internal Auditor:

Prior to the commencement the CIR Process, the Internal Auditor reports directly to the Board.

iv. Certificate on Corporate Governance

As required by Regulation 34(3) Schedule V (E) of the SEBI LODR Regulations, the certificate from M/s. Mamta Devpura, Practising Company Secretary on Corporate Governance is annexed to this report.

v. CEO/CFO Certification

The Company has received compliance certificate from the Chief Financial Officer of the Company, pursuant to Regulation 17(8) read with Part B of Schedule II of SEBI LODR Regulations.

vi. Disclosure of Accounting Treatment

The Financial statement of the Company is prepared as per the prescribed Indian Accounting Standards and reflects true and fair view of the business transactions.

vii. Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

The powers of the Board of Directors of the Company were suspended from October 10, 2019 pursuant to the commencement of the CIR Process of the Company under the Insolvency and Bankruptcy Code, 2016. Accordingly, the Company has complied with the relevant corporate governance requirements specified in Regulations 17 to 27 and 46(2) (b) to (i) of the LODR Regulations only to the extent applicable.

viii. Details of Corporate Policies / Codes

| Particulars | Web Links |
|---|---|
| Policy for determining Material Subsidiaries | http://www.ptil.prabhatgroup.net/documents/1110128534_policy_for_determining_material_subsidiaries.pdf |
| Remuneration Policy for Directors, Key Managerial Personnel and other Employees | http://www.ptil.prabhatgroup.net/documents/6946445306_remuneration_policy.pdf |
| Whistle Blower Policy | http://www.ptil.prabhatgroup.net/documents/8557421140_internal_investigations_policy.pdf |
| Code of Conduct for Senior Management and Directors | http://www.ptil.prabhatgroup.net/documents/9417624598_code_of_conduct_for_board_of_directors_and_senior_management.pdf |
| Policy on Related Party Transactions | http://www.ptil.prabhatgroup.net/documents/3013084255_policy_on_related_party_transaction.pdf |

ix. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report.

9. ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from M/s. Mamta Devpura & Associates (Membership No.; A51792), Practicing Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. The management response to a qualification in the report has been provided in the Directors' Report.

10. NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Pursuant to the commencement of the CIR Process, the powers of the board of directors were suspended and were exercised by the Resolution Professional, in accordance with the provisions of the Code. Therefore the certificate of Non-Disqualification of Directors is not applicable to the Company.

For and on behalf of the Board
Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)

Sd/-
Rajendra K. Bhuta
IRP
IBBI/IPA-001/IP-P00141/2017 /18/10305

Place: Mumbai
Date: March 08, 2021

**SECRETARIAL COMPLIANCE REPORT OF PRABHAT TECHNOLOGIES (INDIA)
LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020**

To,
The Members,
PRABHAT TECHNOLOGIES (INDIA) LIMITED
Unit No. 402, Western Edge I, Kanakia Spaces,
Western Express Highway, Borivali (East)
Mumbai- 400066

I, **Mamta Devpura, Practicing Company Secretaries** have examined:

(a) all the documents and records made available to me and explanation provided by **PRABHAT TECHNOLOGIES (INDIA) LIMITED** ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :

(a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the company during the review period).**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the company during the review period).**

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the company during the review period).**

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the review period).**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the company during the review period);**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

and circulars/guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|--------|--|---|---|
| 1. | Appointment of Compliance officer under Regulation 6 of the SEBI (LODR) Regulations, 2015. | Compliance Officer of the Company was resigned on 19th Dec-2019. Company is yet to be appoint new Compliance Officer. | The Company has already started the process for the appointment of compliance officer and appoint the compliance officer soon. |
| 2. | Intimation for Closure of Trading Window as per SEBI (Prohibition of Insider Trading) Regulations, 2015. | Intimation for the quarter ended 30 th June, 2019 was not given to BSE Limited. | -- |
| 3. | Advertisement of Notice and Financial Result under Regulation 47 of the SEBI (LODR) Regulations, 2015. | Company has not published Notice of Board Meetings held on 14 th November, 2019 and 10 th February, 2020. Company has also not published/advertised the Financial Results for the quarter ended 30 th September, 2019 and December, 2019. | -- |
| 4. | Audit Committee Meeting under Regulation 18(2) of the SEBI (LODR) Regulations, 2015. | Company has not conduct the Audit Committee meeting for review and adopt the un-audited financial Results for the quarter ended 30 th September, 2019 and 31 st December, 2019 | The Company has no Audit committee from 10 th Oct, 2019 as M/s. Paramount Consultant and Corporate Advisors Private Limited, (Financial Creditor / Petitioner) company has filed an application u/s 7 of IBC code, 2016 read with Rule 6 of IBC (Application of Adjudication Authority) Rules 2016 was admitted vide order datd 10 th October, 2019 by Hon,ble NCLT, Mumbai Bench |

| | | | |
|----|--|--|--|
| | | | having CP No. 1874/NCLT/MB/2019. The company is still under the Insolvency proceeding and Mr. Rajendra K Bhuta is the interim Resolution Professional for the company. |
| 5. | Stakeholder Relationship Committee Meeting under Regulation 20(3) of the SEBI (LODR) Regulations, 2015. | The Company has not conduct the Stakeholder Relationship Committee Meeting during the Financial Year 2019-20 | The Company has not conducted any meeting before 10 th October, 2019 and the Company has no Stakeholder Relationship Committee from 10 th Oct, 2019 as company is under Insolvency Proceedings u/s 7 of IBC code, 2016. |
| 6. | Updation of Company's website under Regulation 46 of the SEBI (LODR) Regulations, 2015. | The Company has yet to update its website. | The Company will update the website as per the requirement. |
| 7. | Prior Intimation of Board Meeting under regulation 29 and Outcome of Meeting under Regulation 30 of SEBI (LODR) Regulations, 2015. | The Company has not given prior intimation for Board Meeting held on 14th November, 2019 Chaired by Mr. Rajendra K Bhuta, Interim Resolution Professional for approval of financial result for the quarter and half year ended 30th September, 2019. | The Intimation was not given under the impression that the Board was no more in existence. However the Meeting Intimation could be given. While filing the Outcome, BSE prompted the Intimation date and hence the Outcome of the Meeting could not be filed. The Company properly uploaded the Results finalized in the Meeting chaired by Mr. Rajendra K Bhuta, Interim Resolution Professional for the company. |
| 8. | Annual Report to shareholders under Regulation 36(1) of SEBI (LODR) Regulations, 2015. | - | Out of the total 536 members, Notices were sent to 204 Members by email and the same was verified by me. However the Notices sent in physical / courier could not be verified due to ongoing COVID -19 Pandemic. |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder inso far as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/its promoters/ directors/material

subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr.No | Action taken by | Details of violation | Details of action taken e.g. fines, warning letter, debarment, etc. | Observations/ Remarks of the Practicing Company Secretary, if any |
|-------|-----------------|----------------------|---|---|
| NIL | | | | |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No | Observations of the Practicing Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended 31 st March, 2019 | Actions taken by the listed entity, if any | Comments of the Practicing Company Secretary on the actions taken by the listed entity |
|----------------------------|--|--|--|--|
| No reportable observations | | | | |

For Mamta Devpura & ASSOCIATES
Company Secretaries

Sd/-

Mamta Devpura

Proprietor

M. No. : A51792

COP No.: 19242

UDIN: A051792B000533009

PLACE: MUMBAI

DATE: 30th July, 2020

**CORPORATE GOVERNANCE CERTIFICATE FROM
COMPANY SECRETARY IN PRACTICE**

Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To,
The Members of
Prabhat Technologies (India) Limited**

We have examined the compliance of conditions of Corporate Governance by the Prabhat Technologies (India) Limited ('the Company') for the year ended March 31, 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations, as applicable.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations to the extent applicable.

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

**For Mamta Devpura & Associates
Practising Company Secretaries**

**Sd/-
Mamta Devpura
(Proprietor)
Membership number: A51792
COP: 19242
UDIN : A051792B003918512**

**Place: Mumbai
Date: March 01, 2021**

CEO/CFO COMPLIANCE CERTIFICATION

Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I, Parag Malde, Chief Financial Officer of M/s. Prabhat Technologies (India)Limited hereby certify that:

- a. I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of my 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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violate of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Insolvency Resolution Professional –
 - i. Significant changes in internal control over financial reporting during the year;
 - 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 I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**For Prabhat Technologies (India) Limited
(Formerly known as Prabhat Telecoms (India) Limited)
(Company under Corporate Insolvency Resolution Process)**

**Sd/-
Parag Malde
DIN:05354513
Chief Financial Officer**

**Place: Mumbai
Date: March 08, 2021**

DECLARATION OF INDEPENDENCE

Date: 1st April, 2019

To,
The Board of Directors
PRABHAT TECHNOLOGIES (INDIA) LIMITED
(Formerly known as Prabhat Telecoms (India) Limited)
Unit No. 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East)
Mumbai 400066

Sub: Declaration of Independence under Regulation 25 of SEBI (LODR) Regulations, 2015 and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Alberto Zummo**, residing at MenottieCiro N. 6 Milano, hereby certify that I am a Non-Executive - Independent Director of **Prabhat Telecoms (India) Limited**, and comply with all the criteria of Independent Director as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

I declare that:

- I possess relevant expertise and experience to be an Independent Director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration as may be decided by the board, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - 1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - 2. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or

d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or

- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.
- I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an Independent Director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of Independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Alberto Zummo

Independent Director

DIN: 08071700

MenottieCiro,

N. 6 Milano

DECLARATION OF INDEPENDENCE

Date: 1st April, 2019

To,
The Board of Directors
PRBHAT TECHNOLOGIES (INDIA) LIMITED
(Formerly known as Prabhat Telecoms (India) Limited)
Unit No. 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East)
Mumbai 400066

Sub:Declaration of Independence under Regulation 25 of SEBI (LODR) Regulations, 2015 and sub-section (6) of Section 149 of the Companies Act, 2013.

I, **Nidhi Dodhia**, residing at 259, 12th Cross 1st Stage, Virabhadreshwara Takis, Near Kamalanagara, Bangalore North, Basa Veshwarana Bangalore 560079, hereby certify that I am a Non-Executive - Independent Director of **Prabhat Telecoms (India) Limited**, comply with all the criteria of Independent Director as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an Independent Director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration as may be decided by the board, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a. holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

- c. holds together with my relatives 2% or more of the total voting power of the company; or
 - d. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
 - I am not less than 21 years of age.
 - I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Nidhi Dodhia

Independent Director DIN:

08327516

259, 12th Cross 1st Stage,
Virabhadreshwara Takis, Near Kamalanagara,
Bangalore North, Basa Veshwarana
Bangalore 560079

DECLARATION OF INDEPENDENCE

Date: 26th April, 2019

**To,
The Board of Directors
PRBHAT TECHNOLOGIES (INDIA) LIMITED
(Formerly known as Prabhat Telecoms (India) Limited)
Unit No. 402, Western Edge I,
Kanakia Spaces, Western Express Highway,
Borivali (East)
Mumbai 400066**

Sub:Declaration of Independence under Regulation 25 of SEBI(LODR) Regulations, 2015 and sub-section(6) of Section 149 of the Companies Act, 2013.

I, **Geeta Krishna Bhosle**, residing at 3/402, Panchaganga Building 3, NM Joshi Marg Nr. Bawala Masjid, Delise Road, Mumbai Mumbai 400013, hereby certify that I am a Non-Executive - Independent Director of **Prabhat Telecoms (India) Limited**, comply with all the criteria of Independent Director as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act,2013.

I certify that:

- I possess relevant expertise and experience to be an Independent Director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration as may be decided by the board, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a. holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;

- c. holds together with my relatives 2% or more of the total voting power of the company; or
 - d. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
 - I am not less than 21 years of age.
 - I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

Geeta Krishna Bhosle

Independent Director

DIN: 08411922

3/402, Panchaganga Building 3, NM Joshi

Marg Nr. Bawala Masjid, Delise Road,

Mumbai - 400013

Standalone

FINANCIAL STATEMENTS

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flows
- Notes to Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of
PRABHAT TECHNOLOGIES (INDIA) LIMITED

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying statement of standalone financial results of **PRABHAT TECHNOLOGIES (INDIA) LIMITED** formerly known as Prabhat Telecom (India) Limited which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the "Basis for Qualified Opinion", the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss, changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

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

We draw attention to the following matter:

1. Note No. 32.3 of the accompanying Standalone Financial Results, stating therein that the Impairment of Assets/Liabilities has been worked out on the Basis of Valuation Report certified by registered valuer. We have relied upon the valuations of assets and impairment workings as per the Certificate provided to us by the RP pertaining to valuations of assets and its impairment as Certificate of Valuation Certificate could not be provided to us as per the terms of Insolvency regulation 35(2) and other relevant provisions of IBC, 2016. Also, calculation of Deferred Tax has been done accordingly on the basis of aforesaid mentioned values.

2. Note No. 32.2 of the accompanying Standalone Financial Results which states that the Company has recognized Non-Sustainable Debt pursuant to CIRP as part of Reserves on the basis of the decision taken as part of COC resolution meeting approved by 98.15% COC Members through vote. This adjustment considered to be event after balance sheet date, as per the COC Committee and is recognized in the financial results. However, such transactions are subject to NCLT approval and should have been acknowledged on duly confirmation/acceptance from the NCLT court.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no matters to be reported as the key audit matters to be communicated in our report.

Emphasis of Matter Paragraph

We draw attention to

- a. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Prabhat Technologies (India) Limited ("the Company") and appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
- b. We draw attention to Note no 32.5 of the statement, as regards to the management's evaluation of COVID - 19 impacts on the future performance of the Company. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of above matters

Other Matter

- a. The entire audit finalisation process was carried from remote locations i.e., other than the office of the Company, where books of account and other records are kept, based on the data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Central Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the alternative audit procedures to obtain sufficient and appropriate audit evidence for significant matters in course of our audit. Our report is not modified in respect of this matter.
- b. Pursuant to applications filed by Paramount Consultant & Corporate Advisors Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Prabhat Technologies (India) Limited

("the Company"), (the "Corporate Debtors") vide its orders dated October 10 2019. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on 27.10.2020, resolved with the requisite voting share i.e., with 98.15%, to approve the resolution plan placed by the promoter of the Company. The Promoters of the Companies were eligible to be Resolution Applicant in terms of Section 29A of IBC, 2016 since the the Company is MSME.

- c. As per Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the standalone financial statement of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the standalone financial results. As mentioned in Note No 1 of the statement of financial results, in view of the on-going Corporate Insolvency Resolution Process, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

Material Uncertainty related to going concern

Note no 3, regarding continuous losses incurred by the Company, current liabilities exceeding its current assets, default in repayment of borrowings and default in payment of regulatory and statutory dues. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The accounts however have been prepared by the management on a going concern basis for the reason stated in the aforesaid note. Our opinion is not modified in respect of this matter.

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

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in management analysis, company performance report but does not include the standalone financial statements and our auditor's report thereon

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

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

Management's Responsibilities for the Standalone Financial Results

The Management of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and changes in equity (reserves) of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements, Management of Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and Statement of Changes in Equity (reserves) dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and
- f. 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 litigation which would impact its financial position
- ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, to the Investor Education and Protection Fund by the Company.

**For Harish Arora & Associates
Chartered Accountants**

**Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931**

**Date: 17/12/2020
Place: Chittorgarh**

“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

- 1) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner designed to cover all the items over a period of three years having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion and according to the information and explanations given to us, title deeds of immovable properties are held in the name of the Company.
- 2) As explained to us, physical verification of inventory has been conducted by the management under Perpetual Inventory Programme at regular intervals during the year except for stock of work in progress and finished goods in few units where these are verified at the year end with reference to the inspection reports and production reports of the Production Planning Department of such units. In regard to stocks lying with contractors/fabricators and other parties, confirmations were received in few cases only. In our opinion the frequency of verification is reasonable. No material discrepancies have been reported.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- 4) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of section 185 and 186 of the Act.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) To the best of our knowledge and explanations given to us, the maintenance of cost records had not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the order is not applicable to the Company.
- 7) In respect of Statutory dues:
 - a) According to the information and explanations given to us and according to the records produced before us for verification, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, duty of Customs, Goods & Service tax, Cess and any other material statutory dues as applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, duty of Customs,

Goods & Service tax, Cess and any other material statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us and the records of the Company examined by us, details of dues of income tax, sales tax, value added tax, which have not been deposited as at March 31, 2020 on account of dispute are given below:

| Nature of Statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount Disputed |
|--------------------------|-------------------|--------------------------------|--|-----------------|
| Income Tax | Income Tax | CIT Appeals | AY 11-12 AY 12-13 AY 13-14 AY 14-15 AY 16-17 AY 17-18 | 9,00,41,431 |
| Sales Tax Act & VAT Laws | Value Added Tax | Deputy Commissioner (Appeal) | AY 11-12 AY 13-14 AY 14-15 AY 15-16 | 77,71,66,364 |
| Sales Tax Act & VAT Laws | Central Sales Tax | Deputy Commissioner (Appeal) | AY 11-12 AY 13-14 AY 14-15 AY 15-16 | 16,82,24,083 |

- 8) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institutions, banks or government. All of the financial institutions have filed a claim against the company with Resolution Professional (RP) which were duly accepted and admitted. The Company has not issued any debentures
- 9) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) In our opinion Company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- 13) In respect of transactions with related parties:

- a) According to the
 - b) information and explanations given by the management, section 177 of the Act is not applicable to the Company.
 - c) In our opinion and according to the information and explanations given to us, Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements, as required by the applicable accounting standards.
- 14) Based on our examinations and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, provision of clause no. (xiv) is not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- 16) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR HARISH ARORA& ASSOCIATES
Chartered Accountants

Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931

Date: 17/12/2020
Place: Chittorgarh

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of PRABHAT TECHNOLOGIES (INDIA) LIMITED

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 **Prabhat Technologies (India) Limited** as of March 31, 2020 in conjunction with our audit of the standalone 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.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified Opinion

The Company's internal financial controls relating to review of Impairment of Assets/Liabilities and Non-Sustainable Debt for appropriate valuation did not operate effectively which resulted in non-ascertainment of adequate provision pertaining to such impairment.

Qualified Opinion

In our opinion, except for the effects of the described in the Basis for Qualified Opinion paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Harish Arora & Associates
Chartered Accountants**

**Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931**

**Date: 17/12/2020
Place: Chittorgarh**

| Financial statements as on March 31, 2020 (All amounts are ₹ in lacs unless stated otherwise) | | | |
|--|--------------------------------|---|-------------------------|
| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 2,134.33 | 2,411.70 |
| (b) Capital work-in-progress | | - | - |
| (c) Other Intangible assets | 4 | 0.50 | 32.07 |
| (d) Financial assets | | | |
| (i) Investments | 5 | 434.45 | 333.36 |
| (ii) Loans | | - | - |
| (iii) Others | 6 | 4.76 | 10.53 |
| (e) Other non-current assets | 7 | - | 247.43 |
| (f) Deferred tax assets (Net) | 18 | 2,662.80 | 425.22 |
| Total non-current assets | | 5,236.83 | 3,460.32 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 162.49 | 1,675.20 |
| (b) Financial assets | | | |
| (i) Trade receivables | 9 | 2,581.00 | 4,852.37 |
| (ii) Cash and cash equivalents | 10 | 108.51 | 28.51 |
| (iii) Bank balances other than (iii) above | 11 | 19.50 | 294.29 |
| (iv) Loans | 12 | - | - |
| (v) Others | 13 | - | 0.28 |
| (c) Other current assets | 14 | 953.31 | 4,169.74 |
| Total current assets | | 3,824.81 | 11,020.39 |
| TOTAL ASSETS | | 9,061.64 | 14,480.71 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 15 | 1,070.63 | 1,070.63 |
| (b) Other equity | | | |
| (i) Reserves and surplus | 16 | 1,230.50 | 1,483.30 |
| TOTAL EQUITY | | 2,301.13 | 2,553.93 |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 2,000.00 | - |
| (ii) Others | | - | - |
| (b) Deferred tax liabilities (Net) | 18 | - | - |
| Total non-current liabilities | | 2,000.00 | - |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 4,241.79 | 9,965.13 |
| (ii) Trade payables | 20 | 66.57 | 868.84 |
| (iii) Other financial liabilities | 21 | 402.71 | 861.77 |
| (b) Provisions | | - | - |
| (c) Current Tax Liabilities (Net) | 22 | 0.00 | 136.02 |
| (d) Other Current Liabilities | 23 | 49.43 | 95.03 |
| Total current liabilities | | 4,760.51 | 11,926.79 |
| TOTAL LIABILITIES | | 6,760.51 | 11,926.79 |
| TOTAL EQUITY AND LIABILITIES | | 9,061.64 | 14,480.71 |
| Summary of significant accounting policies | | | |
| The accompanying notes are an integral part of the financial statements. | | 01-34 | |
| As per our report of even date | | | |
| For M/s. Harish Arora & Associates | | For and on behalf of the board of directors of | |
| ICAI firm registration number: 015226C | | Prabhat Technologies India Limited | |
| Chartered Accountants | | | |
| Sd/- | Sd/- | Sd/- | |
| CA. Harish Arora | Rajendra Karanmal Bhuta | Parag Malde | |
| Partner | Resolution Professional | CFO | |
| Membership no.: 407420 | | | |
| Place: Chittorgarh | | | |
| Date: 17/12/2020 | | | |
| UDIN: 20407420AAAAAR6931 | | | |

| Statement of Profit and Loss for the year ended March 31, 2020 (All amounts are ₹ in lacs unless stated otherwise) | | | |
|--|--------------|--|--|
| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Revenue from operations | 24 | 2,333.65 | 12,055.31 |
| Other income | 25 | 404.11 | 196.96 |
| Total income | | 2,737.76 | 12,252.27 |
| Expenses | | | |
| Cost of raw materials consumed | 26 | 3,371.24 | 10,812.45 |
| Changes in inventories of finished goods | 27 | 734.33 | 1,310.86 |
| Employee benefits expense | 28 | 72.69 | 92.35 |
| Finance cost | 29 | 77.14 | 110.34 |
| Depreciation and amortization expense | 3 & 4 | 89.43 | 88.25 |
| Other expenses | 30 | 3,564.98 | 804.47 |
| Total expenses | | 7,909.82 | 13,218.73 |
| Profit before tax from continuing operations | | (5,172.06) | (966.46) |
| Less:- Exceptional Items | | | |
| Liabilities for Claims admitted under CIRP | 31 | (11,866.44) | - |
| Event after Balance sheet Date - Trade Liability | | 8348.88 | - |
| Total Exceptional Items | | (3,517.55) | - |
| Profit before tax from continuing operations after Exceptional Items | | (8,689.61) | (966.46) |
| Income tax (expense) benefit | | - | - |
| Current tax | | - | - |
| Deferred tax | | 2,237.57 | (563.21) |
| Total tax (expense) | | 2,237.57 | (563.21) |
| Profit for the year from continuing operations | | (6,452.04) | (403.25) |
| Other comprehensive income (OCI) | | | |
| Other comprehensive income not to be reclassified to profit and loss in subsequent periods: | | | |
| Loss on actuarial valuation of post employment benefits | | - | - |
| Less: Income tax expense | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | (6,452.04) | (403.25) |
| Equity Share of par value Rs. 10 each | | | |
| Basic | | (60.26) | (3.77) |
| Diluted | | (60.26) | (3.77) |
| Summary of significant accounting policies | | | |
| The accompanying notes are an integral part of the financial statements. | 01-34 | | |
| As per our report of even date | | | |
| For M/s. Harish Arora & Associates | | For and on behalf of the | |
| ICAI firm registration number: 015226C | | Prabhat Technologies India Limited | |
| Chartered Accountants | | | |
| Sd/- | | Sd/- | Sd/- |
| CA. Harish Arora | | Rajendra Karanmal Bhuta | Parag Malde |
| Partner | | Resolution Professional | CFO |
| Membership no.: 407420 | | | |
| Place: Chittorgarh | | | |
| Date: 17/12/2020 | | | |
| UDIN: 20407420AAAAAR6931 | | | |

| Cash Flow Statement for the year ended March 31, 2020 <i>(All amounts are in ₹ in lacs unless stated otherwise)</i> | | |
|---|---|--|
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| A. Cash flow from operating activities | | |
| Profit before extraordinary items and tax | (5,172.06) | (966.46) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 89.43 | 88.25 |
| Finance costs | 77.14 | 110.34 |
| Interest income | - | (56.40) |
| M To M gain on fair valuation of investments | - | (116.59) |
| Rent received | (6.00) | (9.00) |
| Prior period interest charged by BOI | - | (133.40) |
| Other Income | (310.02) | - |
| Exceptional items | (3,517.55) | - |
| Non Sustainable Debt | 6,199.24 | - |
| Deffered Tax Assets | 2237.57 | - |
| Operating profit before working capital changes | (402.25) | (1,083.26) |
| Changes in working capital: | | |
| Adjustments for (increase)/ decrease in operating assets: | | |
| Inventories | 1,512.71 | 1,485.50 |
| Loans | - | - |
| Other non-current assets | (1,990.14) | (414.54) |
| Trade receivables | 2271.40 | 2562.72 |
| Other non current financial assets | 5.78 | 27.23 |
| Other current assets | 3,216.42 | (2,496.57) |
| Other current financial assets | 275.07 | 4.45 |
| | 5,291.23 | 1,168.80 |
| Adjustments for increase (decrease) in operating liabilities: | | |
| Trade payables | (802.27) | (854.55) |
| Other current financial liabilities | (459.06) | (172.61) |
| Other current provisions | - | - |
| Other current liabilities | (45.59) | (378.51) |
| Other non-current liabilities | 0.00 | (137.19) |
| Other non-current financial liabilities | 0.00 | (42.15) |
| Other non-current provisions | - | - |
| Current Tax Liabilities (Net) | (136.02) | - |
| | (1,442.94) | (1,585.00) |
| Cash generated from operations | 3,446.05 | (1,499.45) |
| Net income tax paid | | 563.21 |
| Net cash flow from operating activities (A) | 3,446.05 | (936.24) |
| B. Cash flow from investing activities | | |
| Investment in subsidiary | - | (330.20) |
| Investment in shares & Mutual fund | (101.09) | - |
| Rent received | 6.00 | 9.00 |
| Payment for purchase of property, plant and equipment | (6.00) | (58.51) |
| Proceeds from sale of property, plant and equipment | - | 8.51 |
| Write off An Aseet | 225.50 | - |
| Interest income | - | 56.40 |
| M To M gain on fair valuation of investments | - | 116.59 |
| Other Income | 310.02 | - |
| Net cash flow used in investing activities (B) | 434.44 | (198.21) |
| C. Cash flow from financing activities | | |
| Issue of Shares | - | - |
| Repayment of borrowings | (3,723.34) | - |
| Proceeds from short term borrowings | 0.00 | 1,167.60 |
| Finance cost | (77.14) | (110.34) |
| Net cash flow from/ (used in) financing activities (C) | (3,800.48) | 1,057.26 |
| Net increase/ (decrease) in Cash and cash equivalents (A+B+C) | 80.00 | (77.19) |
| Add: Cash and cash equivalents at the beginning of the year | 28.51 | 105.70 |
| Cash and cash equivalents at the end of the year * | 108.51 | 28.51 |
| Cash and cash equivalents at the end of the year* | | |
| *Comprises of: | | |
| (a) Cash on hand | 0.92 | 8.09 |
| (b) Balances with banks | | |
| (i) In current accounts | 107.58 | 20.42 |
| Assets Acquire on account of Amalgamation | | |
| Current Investments | | |
| | 108.51 | 28.51 |
| Summary of significant accounting policies | | |
| The accompanying notes are an integral part of the financial statements. | | 01-34 |
| As per our report of even date | | |
| For M/s. Harish Arora & Associates | For and on behalf of the board of directors of | |
| IICAI firm registration number: 015226C | Prabhat Technologies India Limited | |
| Chartered Accountants | | |
| Sd/- | Sd/- | Sd/- |
| CA. Harish Arora | Rajendra Karanmal Bhuta | Parag Malde |
| Partner | Resolutional Professional | CFO |
| Membership no.: 407420 | | |
| Place: Chittorgarh | | |
| Date: 17/12/2020 | | |
| UDIN: 20407420AAAAAR6931 | | |

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Notes to Financial statements for the year ended 31st March 2020

Notes to financial statements

(All amounts in Indian Rupees, unless otherwise stated)

1. Corporate Information

Prabhat Technologies (India) Limited Formerly known as Prabhat Telecom (India) Limited ("the Company") (CIN: L72100MH2007PLC169551) was incorporated on 02nd April 2007 at Mumbai, India. The company is engaged in EMS, designing, development and distribution of mobile phones & accessories and solar Equipment's.

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai Mumbai City MH 400066

2. Significant accounting policies

2.01 Basis of preparation of financial statements:

Financial statements for the year ended March 31, 2020 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended March 31, 2019.

For periods up to and including the year ended March 31, 2018 the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP')

2.02 Use of Estimates:

The preparation of financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Useful life of intangible assets
- Provisions

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Notes to Financial statements for the year ended 31st March 2020

2.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current or non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

Deferred tax asset is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.04 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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.

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Notes to Financial statements for the year ended 31st March 2020

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

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

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

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

The Company's Management determines the policies and procedures for both; recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.05 Property, Plant and Equipment and Others:

I. Tangible Assets

Tangible assets are stated at cost of acquisition and construction less accumulated depreciation, amortization and where applicable accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal with the carrying amount of property, plant and equipment and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

II. Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the enterprise and the cost of asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost of development or consideration paid for acquisition less accumulated amortization and accumulated impairment loss, if any. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition

- III. Cost of fixed assets includes non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.
- IV. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss.
- V. Capital work-in-progress comprised of cost incurred on fixed assets under construction/development/acquisition that are not yet ready for their intended use at the balance sheet date.

a. Depreciation and amortization:

i. Tangible Assets

Depreciation is provided on straight-line basis as per the useful life prescribed in schedule II to the Companies Act, 2013. Depreciation on assets acquired or purchased during the period is provided on pro- rata basis from the date of such addition. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Notes to Financial statements for the year ended 31st March 2020

provides the indicative useful lives for different class of assets. Further, the management of the Company provides 100% depreciation on all assets costing Rs. 5,000 or less.

Leasehold premises and improvements to leased premises are depreciated over the period of lease or useful life whichever is lower.

The rates of depreciation used are those that have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for different class of assets

Depreciation is provided on straight-line (SLM) basis at the rates mentioned below, based on the estimated useful life of the assets.

| Asset Class | Estimated useful life in years |
|------------------------|---------------------------------------|
| Buildings | 60 |
| Plant & Machinery | 15 |
| Computers | 3-5 |
| Furniture and fixtures | 10 |
| Vehicles | 8 |
| Office equipments | 5 |
| Leasehold improvements | Over the lease period |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Intangible Assets:

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets include only software which are amortized over a period of six years.

2.06 Inventories:

Stock in trade are valued at lower of cost or net realizable value. Cost Include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.07 Revenue Recognition:

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

- i. Revenue from the sale of goods is recognised on dispatch of appropriation of goods in accordance with the terms of sale and is net of excise duty, incentive on sales including commission, rebates and discounts. Exports sales are recognised on the basis of the date of bill of lading/airways bill.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iii. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

2.08 Foreign Currency Transactions:

Functional currency 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"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the functional currency of the Company.

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Transactions and balances

- i. Transactions in foreign currency are translated into Indian rupees at the exchange rates at the date of the transaction.
- ii. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.
- iii. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognized in the statement of OCI or the statement of profit or loss is also recognized in the statement of OCI or the statement of profit or loss, respectively).

2.09 Employee Benefits:

i. Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short- term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

ii. Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Defined benefit plan and Other long-term benefits

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is unfunded and is managed by Company itself. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

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- c. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of other comprehensive income and presented within equity.

2.10 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds. The company has not incurred any borrowing cost directly attributable to the qualifying asset during the reporting period.

2.11 Lease:

The company has not entered into any financial/operating lease contract during the reporting period.

2.12 Taxes on Income:

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised, except:

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- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

2.13 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.14 Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not

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probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

2.15 Segment Reporting:

The company's operation comprises of only one segment "development and distribution of mobile phones & accessories" as its Primary segment.

2.16 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events of bonus issue and share split. Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders with the weighted average number of equity shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.

2.17 Impairment of Assets

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

2.18 Financial instruments

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

Financial asset

Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

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Subsequent measurement

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

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income
- at fair value through profit or loss

Financial assets at amortized cost

A Financial asset is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

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

Financial assets at fair value through the statement of profit and loss/other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the statement of OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets)

is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

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

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. However, with respect to difference that arises between the transaction price and the fair value of interest free loan taken from

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members, the Company has an accounting policy choice to recognise this difference in the statement of profit and loss or treat it as equity (capital contribution).

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is immaterial, the Company is amortising the transaction cost on a straight-line basis over the tenure of the loan. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the transaction cost amortisation process.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound instruments

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|--------------------------------|-------------------------------|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L. |
| FVTPL | Amortised cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Offsetting of financial instruments

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

Notes on Financial Statements for the year ended 31 March, 2020

3 PROPERTY, PLANT AND EQUIPMENT

(Amount in lacs)

| Particulars | Free Hold Land | Building | Plant and Machinery | Furniture and Fixtures | Vehicles | Office Equipement | Total |
|---|----------------|----------|---------------------|------------------------|----------|-------------------|----------|
| Gross Carrying Amount Deemed Cost as on April 01, 2017 | 20.83 | 2,204.43 | 279.56 | 71.64 | 18.09 | 22.64 | 2,617.18 |
| Additions | - | 5.63 | 1.67 | 0.23 | - | - | 7.53 |
| Deletion | - | - | - | - | (8.25) | - | (8.25) |
| As on March 31, 2018 | 20.83 | 2,210.06 | 281.23 | 71.87 | 9.84 | 22.64 | 2,616.46 |
| Additions | - | 2.20 | - | 0.76 | - | 54.77 | 57.73 |
| Adjustments/ disposals | - | - | - | - | - | (8.51) | (8.51) |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2019 | 20.83 | 2,212.26 | 281.23 | 72.64 | 9.84 | 68.90 | 2,665.69 |
| Additions | - | 1.68 | 0.21 | 2.96 | - | 0.65 | 5.50 |
| Adjustments/ disposals | - | - | (206.21) | - | (0.73) | - | (206.94) |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2020 | 20.83 | 2,213.94 | 75.24 | 75.60 | 9.11 | 69.55 | 2,464.25 |
| Accumulated depreciation As on April 01, 2017 | - | 71.63 | 5.73 | 20.57 | 8.43 | 11.24 | 117.60 |
| Depreciation charge | - | - | - | - | - | - | - |
| Amortisation on leasehold im | - | 35.82 | 18.13 | 10.24 | 0.68 | 3.10 | 67.96 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| As on March 31, 2018 | - | 107.46 | 23.85 | 30.81 | 9.11 | 14.34 | 185.57 |
| Depreciation charge | - | 36.43 | 17.52 | 10.18 | - | 4.29 | 68.42 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2019 | - | 143.88 | 41.37 | 41.00 | 9.11 | 18.63 | 253.98 |
| Depreciation charge | - | 35.99 | 18.20 | 10.05 | - | 9.79 | 74.03 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2020 | - | 179.87 | 59.58 | 51.04 | 9.11 | 28.42 | 328.01 |
| Net Carrying Amount | | | | | | | |
| As on April 01, 2017 | 20.83 | 2,132.80 | 273.83 | 51.07 | 9.66 | 11.40 | 2,499.58 |
| As on March 31, 2018 | 20.83 | 2,102.60 | 257.37 | 41.06 | 0.73 | 8.30 | 2,430.90 |
| As on March 31, 2019 | 20.83 | 2,068.37 | 239.86 | 31.64 | 0.73 | 50.27 | 2,411.70 |
| As on Match 2020 | 20.83 | 2,034.06 | 15.70 | 24.56 | - | 39.18 | 2,134.33 |

4 INTANGIBLE ASSETS

(Amount in lacs)

| Particulars | Computer Software | Total |
|--|-------------------|---------------|
| Gross Carrying Amount | | |
| Deemed Cost as on April 1, 2017 | 128.88 | 128.88 |
| Additions on account of amalgamation | | |
| Additions | | |
| Adjustments/ disposals | | |
| As on March 31, 2018 | 128.88 | 128.88 |
| Additions | 0.78 | 0.78 |
| Adjustments/ disposals | | |
| As on March 31, 2019 | 131.52 | 131.52 |
| Additions | 0.50 | 0.50 |
| Adjustments/ disposals | 18.56 | 18.56 |
| As on March 31, 2020 | 113.46 | 113.46 |
| Accumulated depreciation | | |
| As on April 1, 2017 | 56.39 | 56.39 |
| Amortization charge | 21.36 | 21.36 |
| Adjustments/ disposals | | |
| As on March 31, 2018 | 77.76 | 77.76 |
| Amortization charge | 19.83 | 19.83 |
| Adjustments/ disposals | | |
| As on March 31, 2019 | 97.59 | 97.59 |
| Amortization charge | 15.37 | 15.37 |
| Adjustments/ disposals | | |
| As on March 31, 2020 | 112.96 | 112.96 |
| Net Carrying Amount | | |
| As on April 1, 2017 | 72.49 | 72.49 |
| As on March 31, 2018 | 51.12 | 51.12 |
| As on March 31, 2019 | 32.07 | 32.07 |
| As on March 31, 2020 | 0.50 | 0.50 |

(This space has been left blank intentionally)

Notes on Financial Statements for the year ended 31 March, 2020

5 NON CURRENT INVESTMENTS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--|--------------------------------------|-------------------------|
| Investments in Equity Instruments | | |
| Quoted Investments | | |
| Investment in Mutual Fund (Schedule-5.1) | 11.70 | 2.78 |
| Investment in Shares (Schedule-5.1) | 412.74 | 320.58 |
| Investments in subsidiaries (Unquoted) | | |
| Investment in Prabhat Global Tech (Being 99,999 shares acquired @Rs. 10 each) | 10.00 | 10.00 |
| Investment in Prabhat HongKong | 0.00 | 0.00 |
| Less : Provision for diminution in value of Investments | | - |
| | 10.00 | 10.00 |
| Total | 434.45 | 333.36 |

5.1 Quoted Investments

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|---|--------------------------------------|-------------------------|
| Investment in Mutual Fund | | |
| Motilal Oswal Midcap 30 Fund - Regular Growth | 8.90 | - |
| UNION KBC SMALL AND MIDCAP FUND | 2.80 | 2.78 |
| Total- A | 11.70 | 2.78 |
| Investment in Shares | | |
| Shares- BCPL Railway Infrastructures Ltd | 78.40 | |
| Shares - IRIS Mediaworks Ltd. | 329.01 | |
| Shares - Pro Fin Capital Serv | 5.34 | |
| Shares-NIP IND ETF Liquid Bees | - | |
| Total-B | 412.74 | 320.58 |
| Grand Total (A+B) | 424.45 | 323.36 |

6 OTHER NON CURRENT FINANCIAL ASSET

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|------------------|--------------------------------------|-------------------------|
| Security Deposit | 4.76 | 10.53 |
| Total | 4.76 | 10.53 |

7 OTHER NON CURRENT ASSETS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-------------------------|--------------------------------------|-------------------------|
| Advance against imports | - | 202.43 |
| Others | - | 45.00 |
| Total | - | 247.43 |

8 INVENTORIES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--------------------------------|--------------------------------------|-------------------------|
| Raw Materials & Components | 84.41 | 862.79 |
| Work in Progress | | |
| Semi Finished & Finished goods | 78.08 | 812.41 |
| Total | 162.49 | 1,675.20 |

9 TRADE RECEIVABLES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|---|--------------------------------------|-------------------------|
| Secured and considered good | - | - |
| Unsecured considered good | - | 5,277.37 |
| Outstanding for a period exceeding six months from the date they are due for payment | 2,581.41 | - |
| Less : Provision for doubtful debt | - | (425.00) |
| Considered Doubtful | - | (425.00) |
| Total Receivables | 2,581.41 | 4,852.37 |
| Current | 2,581 | 4,852.37 |
| Non-current | - | - |

Notes on Financial Statements for the year ended 31 March, 2020

10 CASH & CASH EQUIVALENT

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|---------------------------|--------------------------------------|-------------------------|
| Cash and cash equivalents | | |
| Balances with Bank | | |
| - Current Accounts INR | 107.58 | 20.42 |
| Cash on Hand | 0.92 | 8.09 |
| Total | 108.51 | 28.51 |

11 BANK BALANCES OTHER THAN ABOVE

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--------------------------|--------------------------------------|-------------------------|
| Fixed deposits with bank | - | 274.80 |
| LC margin money deposit | 19.50 | 19.50 |
| Total | 19.50 | 294.29 |

12 CURRENT LOAN

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--------------|--------------------------------------|-------------------------|
| Others | - | - |
| Total | - | - |

13 OTHER CURRENT FINANCIAL ASSETS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-------------------|--------------------------------------|-------------------------|
| Security deposits | - | 0.28 |
| Total | - | 0.28 |

14 OTHER CURRENT ASSETS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|--------------------------------------|-------------------------|
| Advance to vendors | 125.04 | 466.70 |
| Advance to employees | 1.00 | 1.67 |
| Advance against fixed assets | - | 34.83 |
| Balance with government authorities | 228.95 | 173.78 |
| Recoverable from creditors | - | 128.82 |
| Other advances | 598.32 | 3,363.93 |
| Total | 953.32 | 4,169.74 |

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Notes on Financial Statements for the year ended 31 March, 2020

15 EQUITY SHARE CAPITAL

| Particulars | Number | Amount |
|-------------------------------------|--------------|--------|
| Authorised share capital | | |
| At April 01, 2017 | 1,200,000.00 | 120.00 |
| Increase (decrease) during the year | - | - |
| At March 31, 2018 | 1,200,000.00 | 120.00 |
| Increase (decrease) during the year | - | - |
| At March 31, 2019 | 1,200,000.00 | 120.00 |
| Increase (decrease) during the year | | |
| At March 31, 2020 | 1,200,000.00 | 120.00 |

| Particulars | Number | Amount |
|-------------------------------------|---------------|----------|
| Issued share capital | | |
| At April 01, 2017 | 8,314,800.00 | 831.48 |
| Increase (decrease) during the year | 607,098.00 | 60.71 |
| At March 31, 2018 | 8,921,898.00 | 892.19 |
| Increase (decrease) during the year | 1,784,380.00 | 178.44 |
| At March 31, 2019 | 10,706,278.00 | 1,070.63 |
| Increase (decrease) during the year | - | - |
| At March 31, 2020 | 10,706,278.00 | 1,070.63 |

b) The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts (after due adjustments in case shares are not fully paid up). No member shall be entitled to receive any dividend or bonus until having paid all calls or instalments.

c) Details of Shareholding more than 5% shres in the Company :

| Name of the shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------|-------------------------|-----------|-------------------------|-----------|
| | Number | % Holding | Number | % Holding |
| Equity shares | | | | |
| Vishwamani Matamani Tiwari | 6,525,046.00 | 60.95% | 6,525,046.00 | 60.95% |
| Vee Three Informatics Limited | 667,116.00 | 6.23% | 667,116.00 | 6.23% |

d) Details of Movement in Shareholding:

| Particulars | Equity shares as at March 31, 2020 | | Equity shares as at March 31, 2019 | |
|---|---------------------------------------|-----------------|---------------------------------------|-----------------|
| | Number | Amount | Number | Amount |
| Outstanding at the beginning of the year | 10,706,278.00 | 1,070.63 | 8,921,898.00 | 892.19 |
| Issued during the year | | | 1,784,380.00 | 178.44 |
| Bought back during the year | | | - | - |
| Outstanding at the end of the year | 10,706,278.00 | 1,070.63 | 10,706,278.00 | 5,964.40 |

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Notes on Financial Statements for the year ended 31 March, 2020

16 RESERVES AND SURPLUS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--|--------------------------------------|-------------------------|
| Securities Premium | | |
| Balance at the beginning of the year | 2,710.37 | 2,888.81 |
| Add: Additions during the year | - | (178.44) |
| Balance at the end of the year | 2,710.37 | 2,710.37 |
| Retained earnings | | |
| Opening Balance | (1,227.07) | (690.43) |
| Add: Ind AS Adjustments impact on opening Balance | | |
| Prior period interest charged by BOI | | (133.40) |
| Add: Profit for the year | (6,452.04) | (403.25) |
| Add: Ind AS Adjustments impact for the year | | |
| Non- Sustainable Debt pursuant to CIRP | 14548.12 | - |
| Less: Transferred to Profit & Loss A/c | -8348.88 | - |
| Interest Payable | - | - |
| Provision for doubtful debts | - | - |
| Deffered Tax on above | - | - |
| Closing Balance | (1,479.87) | (1,227.07) |
| Total | 1,230.50 | 1,483.30 |

17 NON CURRENT BORROWINGS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-------------------------------|--------------------------------------|-------------------------|
| Borrowings from Banks | 2,000.00 | - |
| The above amount includes | | |
| Secured borrowings from Banks | 2,000.00 | - |
| Unsecured borrowings* | | - |
| Total | 2,000.00 | - |

18 DEFERRED TAX LIABILITIES (NET)

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|---|--------------------------------------|-------------------------|
| Deferred tax liability | | |
| On account of timing difference | - | 149.25 |
| Entries as per Ind AS | - | 0.80 |
| | - | 150.05 |
| Deferred tax asset | | |
| On account of timing difference | | |
| Provision for doubtful debts | | |
| Employee Benefits | | |
| Income Tax Losses for Earlier Years | 425.22 | 575.28 |
| Others | 2,237.57 | |
| Ind AS adjustments | | |
| | 2,662.80 | 575.28 |
| Deferred Tax Assets Not Recognized | - | - |
| Deferred Tax Liability/(Asset) | (2,662.80) | (425.22) |

Notes on Financial Statements for the year ended 31 March, 2020

19 CURRENT BORROWINGS

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-----------------------|--------------------------------------|-------------------------|
| Secured | | |
| Borrowings from banks | 2,000.00 | 9,193.27 |
| Unsecured | | |
| Bank overdrafts | - | 260.25 |
| Others | 2,241.79 | 511.61 |
| Total | 4,241.79 | 9,965.13 |

20 TRADE PAYABLES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|--------------------------------------|-------------------------|
| Micro, Small and Medium Enterprises | | - |
| Others | 66.57 | 868.84 |
| Total | 66.57 | 868.84 |

21 OTHER FINANCIAL LIABILITIES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|----------------|--------------------------------------|-------------------------|
| Salary payable | 4.19 | 24.67 |
| Others | 398.52 | 837.10 |
| Total | 402.71 | 861.77 |

22 CURRENT TAX LIABILITIES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--|--------------------------------------|-------------------------|
| Opening balance | 136.02 | 176.02 |
| Add: Current tax payable for the current and prior period | | |
| Less: Taxes paid | 136.02 | 40.00 |
| Total | 0.00 | 136.02 |

23 OTHER CURRENT LIABILITIES

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|--|--------------------------------------|-------------------------|
| Advance from customers | 2.06 | 24.29 |
| Statutory remittances | 5.94 | 63.03 |
| Statutory Dues | 35.00 | |
| Others | 4.51 | 7.71 |
| Other Liabilities-Payable to Employees | 1.93 | |
| Total | 49.43 | 95.03 |

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Notes on Financial Statements for the year ended 31 March, 2020

24 REVENUE FROM OPERATIONS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 2,655.39 | 12,185.50 |
| Less: Inter Unit Transfer | (321.74) | (130.20) |
| Total revenue from operations | 2,333.65 | 12,055.31 |

25 OTHER INCOME

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Interest income | - | 56.40 |
| Other income | 310.02 | (0.28) |
| Dividend Income | 0.90 | - |
| Sundry Balances written back | 0.26 | - |
| Foreign Exchange loss/(gain) | 22.67 | 15.25 |
| Provision for doubtful debts written back | - | - |
| Focus Product Scheme | - | - |
| Rent Received | 6.00 | 9.00 |
| Fair Value Gain/Loss | 64.26 | 116.59 |
| Total | 404.11 | 196.96 |

26 COST OF RAW MATERIAL CONSUMED

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year: | 862.79 | 1,037.43 |
| Add: Purchases | 2,914.59 | 10,768.01 |
| Less: Inter Unit Transfer | (321.74) | (130.20) |
| | 3,455.65 | 11,675.25 |
| Less: Inventories at the end of the year: | 84.41 | 862.79 |
| | 84.41 | 862.79 |
| Cost of Raw Material Consumed | 3,371.24 | 10,812.45 |

DETAILS OF RAW MATERIAL CONSUMED

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Indigenous | 3,360.42 | 10,570.47 |
| Indigenous (% of consumption) | 99.68% | 96.60% |
| Imported | 10.82 | 197.54 |
| Imported (% of consumption) | 0.32% | 1.81% |
| Total | 3,371.24 | 10,768.01 |

27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TARDE, SEMI FINISHED GOODS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year: | | |
| Work-in-progress | | |
| Semi finished and finished goods | 812.41 | 2,123.27 |
| Stock In Transit | | |
| | 812.41 | 2,123.27 |
| Inventories at the end of the year: | | |
| Work-in-progress | | |
| Semi finished and finished goods | 78.08 | 812.41 |
| | 78.08 | 812.41 |
| Total changes in inventories of finished goods | 734.33 | 1,310.86 |

Notes on Financial Statements for the year ended 31 March, 2020

28 EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Wages & Bonus | 67.52 | 82.02 |
| Contribution to provident fund and other funds | 3.57 | 3.39 |
| Gratuity | - | 4.51 |
| Staff welfare expense | 1.60 | 2.42 |
| Total | 72.69 | 92.35 |

29 FINANCE COSTS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Interest expense on: | | |
| - Borrowings and Terms Loans | 77.00 | 110.08 |
| - - Promoters contribution | | |
| Other Borrowing Cost | | |
| - Bank Charges & Processing Fees | 0.14 | 0.26 |
| Total | 77.14 | 110.34 |

30 OTHER EXPENSES

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Consumption of Stores, Spares & Consumables | 0.58 | 1.60 |
| Power & Fuel | 5.39 | 4.49 |
| Labour Charges | 4.00 | 4.75 |
| Repairs & Maintenance | | |
| - Other Assets | | 17.95 |
| Rent | 6.29 | 13.14 |
| Insurance | 0.17 | 0.14 |
| Rates & Taxes | 7.06 | 205.46 |
| Freight & Packing | 2.61 | 12.09 |
| Printing and Stationery | 1.52 | 1.92 |
| Telephone Expenses | 1.64 | 2.54 |
| Travelling & Conveyance | 10.57 | 13.08 |
| Provision for Doubtful Debts | - | 425.00 |
| Auditors Remuneration | | |
| - For Audit Services | 7.00 | 10.00 |
| Legal, Professional & Consultancy fees | 45.90 | 40.96 |
| Other Selling & Distribution Expenses | 15.14 | 33.73 |
| Sundry Balance Written Off (refer note 30.1 below) | 3,392.94 | - |
| Other Expenses | 64.17 | 17.62 |
| Total | 3,564.98 | 804.47 |

Note 30.1

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Asset Impairment | | |
| Fixed Assets | 225.50 | - |
| Non Current Aseets | 253.59 | - |
| Current Assets | 5,503.81 | - |
| Provision Against Doubtfull Debts | (425.00) | - |
| Liabilities Impairment | | |
| Current | (1,180.68) | - |
| Non Current | (987.08) | - |
| Trade Payables- Expenses | 2.79 | - |
| Total | 3,392.94 | - |

31 Events Occuring After Balance Sheet Date

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Employees Claim (under CIRP) | (8.60) | |
| Financial Creditors (under CIRP) | (11,857.84) | |
| Total | (11,866.44) | - |

Notes : Corporate Insolvency Resolution Process

- 32.1 CIRP Petition under insolvency and bankruptcy code 2016 with national company law tribunal (NCLT) is filed against the company. Accordingly the IRP has been appointed vide dated 10th Oct 2019. Pursuant to order the power of the board of directors has been suspended after commencement of the CIR process and are exercisable by Mr. R.K. Bhuta, the IRP appointed by the NCLT, Mumbai However the financial results has been signed by Chief Financial Officer of the Company, confirming completeness and accuracy of the results. The Financial results thereafter taken on record by RP on 17.12.2020 for filing with Stock exchange. The RP has relied upon the assistance provided by the management in relation to these financial results. The RP approved these financial Statements only to the limited extent of discharging powers of Board of Directors of the Company conferred on him in terms of Section 17 of the Code. The Statutory Audit for the quarter and year ended on March 31, 2020 as required under regulation 33 of SEBI (Listing Obligation and Discloser requirements) regulation 2015, has been carried out by Statutory auditors of the Company.
- 32.2 Under the CIRP, a resolution plan was submitted for the consideration of Committee of Creditors (CoC), e-voting has taken place after 9th CoC Meeting, the RP has placed on record the result of Evoting and informed the Member and Shareholder that Resolution has been approved with 98.15% votes in favour of the resolution plan. The said resolution plan filed for approval of National Company Law tribunal (NCLT), Mumbai Bench for its approval vide dated 08th November 2020.
- 32.3 As per the Code, RP has received, collected, verified and admitted all the claims submitted by the Creditors and employees of the Company. Pursuant to Indian Accounting Standard (*Ind AS*) 10 *Events after the Reporting Period* The Impact of claims and payment proposed to Financial Creditor, Operational Creditor, Statutory Dues and Employees has been taken into consideration. The Amount payable to Financial Creditor, Operational Creditor, Statutory Dues and Employees has been reduced to the extent of amount proposed as per the resolution plan approved by the CoC. The Amount Written back is credited to Reserves & Surplus Account since the written back amount is in the nature of Capital receipt to the extent of Rs. 6199.24 Lakh. The summary is hereunder:

| Sr. No. | Particulars | Total Claim amount | Amount as per Approved Resolution Plan | Amount considered as Liability | Amount Written Back as Events after reporting period |
|---------|---------------------------------------|--------------------|--|--------------------------------|--|
| 1 | Continuing & Non-Continuing Employees | 923,905 | 923,905 | 923,905 | - |
| 2 | Secured Financial Creditor | 1,234,888,160 | 400,000,000 | 400,000,000 | 834,888,160 |
| 3 | Unsecured Financial Creditors | 829,662,981 | 224,178,894 | 224,178,894 | 605,484,087 |
| 4 | Operational Creditors | 8,145,475 | 1,221,821 | 1,221,821 | 6,923,654 |
| 5 | Statutory Dues | 1,101,691,251 | 3,500,000 | 3,500,000 | 7,516,251 |

- 32.4 The Unsecured Financial Creditor, as stated in Para 3 above, includes creditors to the extent of Rs. 1606.80 Lakh arising out of invocation of Financial Guarantee.
- 32.5 **Impact of Covid-19**
 In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. The Company has used assumptions based on current indicators of future economic conditions and based on the same the Company expects to recover the carrying amount of these assets. Further, the management is continuously assessing the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not materially impact the current Financial Year ended March 31, 2020, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is difficult. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.
- 32.6 Balance of Receivable (Sundry Debtors) includes Rs. 1639.73 Lakh against which the IRP has filed Recovery petition at appropriate forum pursuant to approval of Committee of Creditors.
- 32.7 The Closing stock has been revalued at its net realisable value based on the valuation reports and internal workings. The Impairment provision has been debit to Profit and Loss Account for the Quarter ended 31st March 2020.
- 33 The Company is primarily engaged in one business segment namely - "Technology & related technique equipment." - as determined by the chief operating decision maker in accordance with Ind AS 108 - "Operating Segment".
- 34 Figures of Corresponding periods are reclassified/ regrouped wherever necessary.

For M/s. Harish Arora & Associates
 ICAI firm registration number: 015226C
 Chartered Accountants

**For and on behalf of the
 Prabhat Technologies India Limited**

Sd/-
CA. Harish Arora
 Partner
 Membership no.: 407420

Sd/-
Rajendra Karanmal Bhuta
 Resolution professional

Sd/-
Parag Malde
 CFO

Place: Chittorgarh
Date: 17/12/2020
UDIN: 20407420AAAAAR6931

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Other Disclosures to Financial Statements for the year ended 31 March, 2020

Contingent liability and capital commitments

| Particulars | As at March 31, 2020 (in Lacs) | As at March 31, 2019 (in Lacs) |
|--|---------------------------------------|---------------------------------------|
| Capital Commitments | | |
| - Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) | - | - |
| Contingent Liabilities | | |
| - Claims against company not acknowledged as debts | - | - |
| - Tax Matters (Refer Note) | - | 10,354.32 |

Note: Company is in proceeding of insolvency and Pursuant to that company recognised contingent liabilities as actual after balance sheet date and approved by CIRP and later on confirmed by COC.

Earnings and expenditure in foreign currency

| Particulars | 2019-20 | | 2018-19 | |
|-----------------------------------|---------|--------|---------|--------|
| | USD | Rupees | USD | Rupees |
| Foreign Exchange Earnings | | | | |
| Rendering of services | - | - | - | - |
| Foreign Exchange Outgoings | | | | |
| Purchase (Import) | 0.37 | 26.61 | 2.54 | 166.45 |

Other Disclosures to Financial Statements for the year ended 31 March, 2020**Earnings Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end of 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.

The following reflects the income and share data used in the basic and diluted EPS computation:

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Profit after tax as per profit and loss account | (6,452.04) | (403.25) |
| Weighted average number of equity shares for basic EPS* | 107.06 | 107.06 |
| Weighted average number of equity shares adjusted for the effect of Face value per share | 107.06 | 107.06 |
| Face value per share | 10.00 | 10.00 |
| Basic earning per share | (60.26) | (3.77) |
| Diluted earning per share | (60.26) | (3.77) |

Leases

The company has not entered into any financial/operating lease contract during the reporting period

Related Parties Disclosures

Disclosures as required by Indian Accounting Standard 24 - "Related Party Disclosures" are given below

Name of the enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with reporting entity or significantly influenced by Key Management Personnel and/or their relatives:

| Name of the Related Party | Relationship |
|---|--------------|
| Prabhatech Global Electronics Private Limited | Subsidiary |
| Prabhat Telecoms Hongkong Limited | Subsidiary |

Director and Key Management Personnel and their relatives

| Name of the Person | Relationship |
|----------------------------------|---|
| Mr. Vishwamani Matamani Tiwari | Managing Director and Chairman (Suspended w.e.f 10.10.2019) |
| Mr. Parag Malde | Whole Time Director & Chief Financial Officer |
| Ms. Geeta Krishna Bhosle | Non-Executive Independent Director (Suspended w.e.f 10.10.2019) |
| Ms. Nidhi Prem Chand Dodhia | Non-Executive Independent Director (Suspended w.e.f 10.10.2019) |
| Mr. Alberto Agostino Mario Zummo | Non-Executive - Independent Director (Suspended w.e.f 10.10.2019) |
| Ms. Meghna Kashte | Company Secretary & Compliance Officer (Resigned on 19.12.2019) |

Enterprise over which Key Managerial Personnel and the Relative of Key Managerial Personnel exercise control/significant influence (Other Related Concerns)

| Name of Enterprise | Legal status of such entity |
|--|--|
| Prabhat Enterprises | Associated Enterprise |
| Vishwamani Tiwari HUF | Hindi Individual Family of Managing Director |
| Vee Three Informatics Limited | Public Limited Company |
| Prabhat Charter Infra Services Private Limited | Private Limited Company |

Other Disclosures to Financial Statements for the year ended 31 March, 2020**Transactions with the above in the ordinary course of business:**

(Amount in lacs)

| Name of the Related Party | Nature | March 31, 2020 | March 31, 2019 |
|--|-------------------------|----------------|----------------|
| | | | |
| Prabhat Enterprises | Loan taken | 7.00 | 115.47 |
| | Loan Repaid | 0.04 | 199.31 |
| Prabhat Charter Infra Services Private Limited | Loan Given | - | 148.02 |
| | Loan Repaid | - | 151.94 |
| V. M. Tiwari | Loan taken | 381.54 | 711.34 |
| | Loan Repaid | 381.54 | 720.75 |
| | Managerial Remuneration | 1.97 | 1.30 |
| Parag Malde | Loan Given | - | 66.04 |
| | Loan Repaid | 31.02 | 70.02 |
| | Managerial Remuneration | 3.36 | 7.32 |
| Dipti More | Managerial Remuneration | - | - |
| Prabhatech Global Electronics Private Limited | Sale of Fixed Assets | - | 10.06 |
| | Loan Given | 4.01 | - |
| Vee Three Informatics Limited | Sale of Goods | 1,988.07 | 1,298.76 |
| | Purchase of Goods | 1,397.38 | 902.67 |
| Meghna Kashte | Remuneration | 1.79 | 0.43 |

Disclosure of material balances with related parties.

| Name of the Related Party | Relation | (Amount in lacs) | |
|--|--|-------------------------|-------------------------|
| | | As at March 31, 2020 | As at March 31, 2019 |
| Prabhat Enterprises | Other Related Concern | - | - |
| Prabhat Charter Infra Services Private Limited | Other Related Concern | - | - |
| V. M. Tiwari | Managing Director and Chairman | 0.00 | 0.00 |
| Parag Malde | Whole Time Director & Chief Financial Officer | - | (6.79) |
| Prabhatech Global Electronics Private Limited | Subsidiary | 4.04 | 0.06 |
| Vee Three Informatics Limited | Other Related Concern | - | 385.18 |

Fair values

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the Company. The management has also considered the effect of time value of money with respect to other long term financial instruments by taking the Company's fixed deposit rate of the Company.

Financial risk management objectives and policies & Capital Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same

The Company has constituted a Risk Management Committee consisting of majority of directors and senior managerial personnel. The Company has a robust risk management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage.

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

| Particulars | (Amount in lacs) | | |
|------------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
| Financial assets | | | |
| Investments | - | - | - |
| Cash and cash equivalents | 108.51 | 28.51 | 105.70 |
| Trade receivables | 2,581.00 | 4,852.37 | 7,415.10 |
| Loans | - | - | - |
| Other financial assets | - | 0.28 | 4.72 |
| At end of the year | 2,689.50 | 4,881.16 | 7,525.52 |
| Financial liabilities | | | |
| Borrowings | 4,241.79 | 9,965.13 | 8,797.53 |
| Trade payables | 66.57 | 868.84 | 1,723.39 |
| Other financial liabilities | 402.71 | 861.77 | 1,034.37 |
| At end of the year | 4,711.07 | 11,695.74 | 11,555.29 |

The Company is exposed to market risk, credit risk and liquidity risk.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Trade receivables

For trade receivables "Ind AS 109 Financial Instruments" permits the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. In order to determine the expected credit losses for the portfolio, company have to arrive at a provision matrix. This provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated.

However, The company has not observed any such default rates in the past and as result a result it could not arrive at the provision matrix for the portfolio. Hence, The magement has made an adhoc provision of 10% for the receivables outstanding more than 365 days on a prudence basis.

Ageing of trade receivable

| Particulars | Days | | |
|----------------------|----------|---------|-----------|
| | 0-180 | 180-365 | Above 365 |
| As on March 31, 2020 | 987.47 | 281.58 | 1,311.95 |
| As on March 31, 2019 | 2,850.49 | 703.67 | 1,723.21 |

Other Disclosures to Financial Statements for the year ended 31 March, 2020**Liquidity risk**

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate sources of funding.

| Particulars | (Amount in lacs) | | | |
|----------------------------------|------------------|------------------|-----------------|-----------------|
| | Total | Less than 1 year | 1 to 2 years | 2- 5 years |
| | ₹ | ₹ | ₹ | ₹ |
| Year ended March 31, 2020 | | | | |
| Borrowings | 4,241.79 | 4,241.79 | 0.00 | - |
| Trade payables | 66.57 | 66.57 | - | - |
| Other financial liabilities | 402.71 | 402.71 | - | - |
| | 4,711.07 | 4,711.07 | 0.00 | - |
| Year ended March 31, 2019 | | | | |
| Borrowings | 9,965.13 | 1,152.68 | 1,702.78 | 6,991.19 |
| Trade payables | 868.84 | 908.63 | 76.09 | 2.59 |
| Other financial liabilities | 861.77 | 20.19 | 39.58 | 802.00 |
| | 11,695.74 | 2,081.50 | 1,818.45 | 7,795.78 |

Market risk

Market risk is the risk that the fair value of the future cash flows of the financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: Currency risk, interest risk, other price risk, such as equity price and commodity risk. The value of financial instrument may change as a result of changes in the interest rate, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

Foreign currency risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The Company's foreign currency exposure arises mainly from foreign exchange imports and exports, primarily with respect to USD.

a) The company has not entered into any derivatives transaction during the year presented under and has no derivatives outstanding as at the reporting date

Interest rate risk

Company's interest rate risk arises from borrowings. The Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at a fixed rate. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The Company's interest-bearing financial instruments is reported as below:

| Particulars | As at | As at | As at |
|----------------------------------|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Fixed rate instruments | | | |
| Financial Assets | 439.20 | 274.80 | 22.75 |
| Financial liabilities | | | |
| Variable rate instruments | | | |
| Financial Assets | 2,709.00 | 4,900.66 | 7,546.28 |
| Financial liabilities | 4,711.07 | 11,695.74 | 11,555.29 |

Other Disclosures to Financial Statements for the year ended 31 March, 2020**Interest rate sensitivity**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Long term variable interest rate borrowings | 0.00 | - | - |
| Short term variable interest rate borrowings | 4,241.79 | 9,965.13 | 8,797.53 |
| | 4,241.79 | 9,965.13 | 8,797.53 |

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

| Year ended | Increase/ (decrease) in basis points | Effect on profit before tax increase/ (decrease) |
|-------------------|---|---|
| March 31, 2020 | 42.42 | (8,752.03) |
| March 31, 2019 | 99.65 | (1,066.11) |
| March 31, 2018 | 87.98 | (2,007.52) |

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of shareholder.

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Loans and borrowings | 4,241.79 | 9,965.13 | 8,839.68 |
| Trade payables | 66.57 | 868.84 | 1,723.39 |
| Other payables | 402.71 | 1,092.82 | 1,643.93 |
| Less: Cash and cash equivalents | 108.51 | 28.51 | 105.70 |
| Net debt (A) | 4,602.57 | 11,898.27 | 12,101.30 |
| Equity | 2,301.13 | 2,553.93 | 3,090.57 |
| Capital and net debt (B) | 2,301.13 | 2,553.93 | 3,090.57 |
| Capital gearing ratio (A/B) | 2.00 | 4.66 | 3.92 |

To achieve the overall objective, the Company's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. Breaches in meeting the covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.

Other Disclosures to Financial Statements for the year ended 31 March, 2020

Income tax

Income statement

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Adjustments in respect of current income tax of previous year | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | 2,237.57 | (563.21) |
| Relating to origination and reversal of temporary differences through OCI | | |
| Income tax expense reported in the income statement | 2,237.57 | (563.21) |

Estimates

Ind AS 109-Financial Instruments (Classification and measurement of financial assets)

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

Ind AS 16 Property, Plant and Equipment and Ind AS 38 Intangible Assets

If there is no change in the functional currency an entity may elect to measure an item of property, plant and equipment and intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment and intangible assets by applying Ind AS retrospectively or use the carrying amount under previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its property, plant and equipment and intangible assets, measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS.

Reconciliation of Equity as previously reported under IGAAP

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Equity capital | 1,070.63 | 1,070.63 | 892.19 |
| Reserves | 1,230.50 | 1,483.30 | 2,491.38 |
| As reported under IGAAP | 2,301.13 | 2,553.93 | 3,383.57 |
| Finance charges as per EIR calculation | - | - | 0.40 |
| Prior period Items | - | - | 2.02 |
| OCI | - | - | - |
| MTM Gain/(Loss) | - | - | (289.41) |
| Fair value of investment | - | - | (0.75) |
| Term Loans | - | - | (5.26) |
| Total | - | - | (293.00) |
| As reported under Ind AS | 2,301.13 | 2,553.93 | 3,090.57 |

*Ind AS adjustments for the year ended March 31, 2019 and March 31, 2018 are cumulative(inclusive of Ind AS adjustments as at April 01, 2017)

As per Ind AS

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Equity capital | 1,070.63 | 1,070.63 | 892.19 |
| Reserves | 1,230.50 | 1,483.30 | 2,198.38 |
| Share suspense account | | | |
| | 2,301.13 | 2,553.93 | 3,090.57 |

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East) Mumbai.

Other Disclosures to Financial Statements for the year ended 31 March, 2020

Segmental information

As the Company's business activities fall within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.

Classification and presentation of assets and liabilities

Under IGAAP, the Company was not required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realizable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

Additional Information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either nil or not applicable to the company.

Balances of Sundry Debtors, Creditors and Loans and Advances and Advances received from customers are subject to confirmation and reconciliation and consequent adjustments, if any.

These financial statements have been prepared in the format prescribed by the revised schedule III to the Companies Act, 2013. Previous period figures are regrouped or rearranged wherever considered necessary.

Subsequent events

The Company evaluated all events and transactions that occurred after March 31, 2020, the date on which the financial statements are issued. Based on the evaluation, the Company has identified events or transactions that would require recognition or disclosure in the financial statements. The same has been disclosed in Note No. 31 & 32.3

Consolidated

FINANCIAL STATEMENTS

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flows
- Notes to Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
PRABHT TECHNOLOGIES (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Prabhat Technologies (India) Limited ("the Company")** formerly known as Prabhat Telecom (India) Limited, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matter described in the "Basis for Qualified Opinion", the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss, changes in equity and its cash flow for the year ended on that date.

Basis for Qualified Opinion

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

We draw attention to the following matter:

1. Note No. 32.3 of the accompanying consolidated Financial Statement, stating therein that the Impairment of Assets/Liabilities has been worked out on the Basis of Valuation Report certified by registered valuer. We have relied upon the valuations of assets and impairment workings as per the Certificate provided to us by the RP pertaining to valuations of assets and its impairment as Certificate of Valuation Certificate could not be provided to us as per the terms of Insolvency regulation 35(2) and other relevant provisions of IBC, 2016. Also, calculation of Deferred Tax has been done accordingly on the basis of aforesaid mentioned values.

2. Note No. 32.2 of the accompanying consolidated Financial Statement which states that the Company has recognized Non-Sustainable Debt pursuant to CIRP as part of Reserves on the basis of the decision taken as part of COC resolution meeting approved by 98.15% COC Members through vote. This adjustment considered to be event after balance sheet date, as per the COC Committee and is recognized in the financial results. However, such transactions are subject to NCLT approval and should have been acknowledged on duly confirmation/acceptance from the NCLT court.
3. We did not audit financial statements of subsidiary company i.e. Prabhat Telecom Hongkong Limited included in the consolidated financial statements; whose financial statements reflected total assets of Rs. Nil as at 31st March 2020 as well as the total revenue of Rs. Nil for the year ended 31st March 2020. This annual financial statements and other financial information have been unaudited and are provided by the management on the basis of provisional financial statements. Valuation Reports pertaining to these investments are not provided us. Therefore, we are unable to comment and determine any adjustments to be made to this amount. Financial Results are prepared by Management on provisional figures. Our opinion on these financial statements to the extent they have been derived from such kind of financial statements is based solely on the information provided by the management.

Emphasis of Matter Paragraph

We draw attention to

- a. The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Prabhat Technologies (India) Limited ("the Company") and appointed Resolution Professional (RP) who has been vested with management of affairs and powers of the Board of Directors with direction to initiate appropriate action contemplated with extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
- b. Note no. 32.3 regarding admission of the Company into Corporate Insolvency Resolution Process ("CIRP"), and pending approval of Hon'ble NCLT with regard to various claims submitted by the Operational/financial/other creditors and employees and approval thereof by CoC. The Management has incorporated the accounting impact the effect of event after the Balance sheet date pursuant to IND AS -10 Events after the Reporting Period.
- c. We draw attention to Note no 32.5 of the statement, as regards to the management's evaluation of COVID - 19 impacts on the future performance of the Company. The actual outcome of the assumptions and estimates may vary in future due to impact of pandemic.

Our opinion is not modified in respect of above matters

Other Matter

- a. The entire audit finalisation process was carried from remote locations i.e., other than the office of the Company, where books of account and other records are kept, based on the data/details or financial information provided to us through digital medium, owing to complete lockdown imposed by the Central Government to restrict the spread of COVID19. Being constrained, we resorted to and relied upon the results of the alternative audit procedures to obtain sufficient and appropriate audit evidence for significant matters in course of our audit. Our report is not modified in respect of this matter.
- b. Pursuant to applications filed by Paramount Consultant & Corporate Advisors Private Limited before the National Company Law Tribunal, Mumbai Bench ("NCLT") in terms of Section 9 of the Insolvency and Bankruptcy Code, 2016 read with the rules and regulations framed thereunder ("Code"), the NCLT had admitted the applications and ordered the commencement of corporate insolvency resolution process ("CIRP") of Prabhat Technologies (India) Limited ("the Company"), (the "Corporate Debtors") vide its orders dated October 10 2019. The committee of creditors ("CoC") of the Corporate Debtors, at the meetings of the CoC held on 27.10.2020, resolved with the requisite voting share i.e., with 98.15%, to approve the resolution plan placed by the promoter of the Company. The Promoters of the Companies were eligible to be Resolution Applicant in terms of Section 29A of IBC, 2016 since the the Company is MSME.
- c. As per Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated financial statement of the Company submitted to the stock exchange shall be signed by the Chairperson or Managing Director or Whole Time Director or in absence of all of them, it shall be signed by any Director of the Company who is duly authorized by the Board of Directors to sign the consolidated financial results. As mentioned in Note No 1 of the statement of financial results, in view of the on-going Corporate Insolvency Resolution Process, the powers of the board of directors stand suspended and are exercised by the Resolution Professional.

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

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in management analysis, company performance report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 a material misstatement of this other information, we are required to report that fact.

Management's Responsibility for the Consolidated Financial Statements

The Management of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and changes in equity (reserves) of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income and Statement of Changes in Equity (reserves) dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**", and
- f. 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 litigation which would impact its financial position
 - ii. The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, to the Investor Education and Protection Fund by the Company.

**For Harish Arora & Associates
Chartered Accountants**

**Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931**

**Date: 17/12/2020
Place: Chittorgarh**

“Annexure A” to Independent Auditors’ Report

(Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the accounts of Prabhat Technologies (India) Limited for the year ended March 31, 2020)

- i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) According to the information and explanations given to us, physical verification of property, plant & equipment is being conducted in a phased manner by the management including intangible assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification to the extent verification was made during the year.
 - (c) The title deeds of the immovable properties are held in the name of the company
- ii) As explained to us, physical verification of inventory has been conducted by the management under Perpetual Inventory Programme at regular intervals during the year except for stock of work in progress and finished goods in few units where these are verified at the year end with reference to the inspection reports and production reports of the Production Planning Department of such units. In regard to stocks lying with contractors/fabricators and other parties, confirmations were received in few cases only. In our opinion the frequency of verification is reasonable. No material discrepancies have been reported.
- iii) According to the information given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (iii) (b) and (iii) (c) of Paragraph 3 of the Order are not applicable to the Company.
- iv) In respect of loans, investments, guarantees and security, the Company has complied with the provisions of section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 and rules framed thereunder as applicable.
- vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

- vii) (a) According to the information and explanations given to us and according to the records produced before us for verification, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, duty of Customs, Goods & Service tax, Cess and any other material statutory dues as applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, duty of Customs, Goods & Service tax, Cess and any other material statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the particulars of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise and Value Added Tax, Goods & Service Tax which have not been deposited on account of dispute are as under:

| Nature of Statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount Disputed |
|--------------------------|-------------------|--------------------------------|--|-----------------|
| Income Tax | Income Tax | CIT Appeals | AY 11-12 AY 12-13 AY 13-14 AY 14-15 AY 16-17 AY 17-18 | 9,00,41,431 |
| Sales Tax Act & VAT Laws | Value Added Tax | Deputy Comissioner (Appeal) | AY 11-12 AY 13-14 AY 14-15 AY 15-16 | 77,71,66,364 |
| Sales Tax Act & VAT Laws | Central Sales Tax | Deputy Commissioner (Appeal) | AY 11-12 AY 13-14 AY 14-15 AY 15-16 | 16,82,24,083 |

- 1) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institutions, banks or government. All of the financial institutions have filed a claim against the company with Resolution Professional (RP) which were duly accepted and admitted. The Company has not issued any debentures.
- viii) Provisions of clause no. (ix) relating to utilization of moneys raised by way of initial public offer or further public offer including debt instruments and term loans is not applicable to the Company since these matters are dealt with at corporate level
- ix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- x) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xi) Provisions of clause no. (xii) of the Order regarding Nidhi Company is not applicable to the Company;
- xii) According to the records of the Company examined by us and the information and explanations given to us during the year, the related party transactions have been entered at arm's length basis in ordinary course of business and are in compliance with section 177 and 188 of the Companies Act, 2013 and have been disclosed in the Financial Statements.
- xiii) Based on our examinations and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore provision of clause no. (xiv) is not applicable to the Company.
- xiv) The Company has not entered into any non-cash transactions with directors or persons connected with him as envisaged under section 192 of the Act.
- xv) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India. Act, 1934.

**For Harish Arora & Associates
Chartered Accountants**

**Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931**

**Date: 17/12/2020
Place: Chittorgarh**

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Prabhat Technologies (India) LIMITED

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 Prabhat Technologies (India) Limited as of March 31, 2020 in conjunction with our audit of the consolidated 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified Opinion

The Company's internal financial controls relating to review of Impairment of Assets/Liabilities and Non-Sustainable Debt for appropriate valuation did not operate effectively which resulted in non-ascertainment of adequate provision pertaining to such impairment.

Qualified Opinion

In our opinion, except for the effects of the described in the Basis for Qualified Opinion paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Harish Arora & Associates
Chartered Accountants**

**Sd/-
CA Harish Arora
M.No. 407420
FRN 015226C
UDIN: 20407420AAAAAR6931**

**Date: 17/12/2020
Place: Chittorgarh**

| Consolidated Financial statements as on March 31, 2020 <i>(All amounts are ₹ in lacs unless stated otherwise)</i> | | | |
|---|--------------|--|---------------------------------|
| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 2,141.11 | 2,422.22 |
| (b) Capital work-in-progress | | | - |
| (c) Other Intangible assets | 4 | 0.50 | 32.07 |
| (d) Financial assets | | | |
| (i) Investments | 5 | 424.45 | 323.36 |
| (ii) Loans | | | - |
| (iii) Others | 6 | 4.76 | 10.53 |
| (e) Other non-current assets | 7 | - | 247.43 |
| (f) Deferred tax assets (Net) | 18 | 2,662.30 | 424.73 |
| Total non-current assets | | 5,233.11 | 3,460.35 |
| (2) Current assets | | | |
| (a) Inventories | 8 | 162.49 | 1,675.20 |
| (b) Financial assets | | | |
| (i) Trade receivables | 9 | 2,581.41 | 6,135.91 |
| (ii) Cash and cash equivalents | 10 | 108.58 | 30.84 |
| (iii) Bank balances other than (iii) above | 11 | 19.50 | 294.29 |
| (iv) Loans | 12 | - | - |
| (v) Others | 13 | - | 0.28 |
| (c) Other current assets | 14 | 954.88 | 4,271.81 |
| Total current assets | | 3,826.86 | 12,408.33 |
| TOTAL ASSETS | | 9,059.97 | 15,868.67 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 15 | 1,070.63 | 1,070.63 |
| (b) Other equity | | | |
| (i) Reserves and surplus | 16 | 1,219.78 | 1,569.57 |
| Minority Interest | | - | 0.00 |
| TOTAL EQUITY | | 2,290.41 | 2,640.19 |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 2,004.17 | - |
| (ii) Others | | | - |
| (b) Deferred tax liabilities (Net) | 18 | - | - |
| Total non-current liabilities | | 2,004.17 | - |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 19 | 4,241.79 | 9,965.13 |
| (ii) Trade payables | 20 | 70.51 | 2,160.87 |
| (iii) Other financial liabilities | 21 | 402.71 | 861.77 |
| (b) Provisions | | | |
| (c) Current Tax Liabilities (Net) | 22 | - | 143.99 |
| (d) Other Current Liabilities | 23 | 50.39 | 96.73 |
| Total current liabilities | | 4,765.40 | 13,228.48 |
| TOTAL LIABILITIES | | 6,769.57 | 13,228.48 |
| TOTAL EQUITY AND LIABILITIES | | 9,059.97 | 15,868.67 |
| Summary of significant accounting policies | | | |
| The accompanying notes are an integral part of the financial statements. | | 01-34 | |
| As per our report of even date | | | |
| For M/s. Harish Arora & Associates | | For and on behalf of the board of directors of Prabhat Technologies (India) Limited | |
| ICAI firm registration number: 015226C | | | |
| Chartered Accountants | | | |
| Sd/- | | Sd/- | |
| CA. Harish Arora | | Rajendra Karanmal Bhuta | |
| Partner | | Resolution Professional | |
| Membership no.: 407420 | | Sd/- | |
| Place: Chittorgarh | | Parag Malde | |
| Date: 17/12/2020 | | CFO | |
| UDIN: 20407420AAAAAR6931 | | | |

| Consolidated Statement of Profit and Loss for the year ended March 31, 2020 <i>(All amounts are ₹ in lacs unless stated otherwise)</i> | | | |
|--|------------------|--|--|
| Particulars | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| Revenue from operations | 24 | 2,333.65 | 13,043.10 |
| Other income | 25 | 404.11 | 196.96 |
| Total income | | 2,737.76 | 13,240.06 |
| Expenses | | | |
| Cost of raw materials consumed | 26 | 3,371.24 | 11,780.26 |
| Changes in inventories of finished goods | 27 | 734.33 | 1,310.86 |
| Employee benefits expense | 28 | 80.31 | 92.43 |
| Finance cost | 29 | 77.26 | 110.38 |
| Depreciation and amortization expense | 3 & 4 | 91.13 | 89.01 |
| Other expenses | 30 | 3,566.08 | 812.96 |
| Total expenses | | 7,920.36 | 14,195.90 |
| Profit before tax from continuing operations | | (5,182.60) | (955.83) |
| Less:- Exceptional Items | | | |
| Liabilities for Claims admitted under CIRP | 31 | (11,866.44) | - |
| Event after Balance sheet Date - Trade Liability | | 8,348.88 | - |
| Total Exceptional Items | | (3,517.55) | - |
| Profit before tax from continuing operations after Exceptional Items | | (8,700.15) | (955.83) |
| Income tax (expense) benefit | | - | - |
| Current tax | | - | 1.14 |
| Deferred tax | | 2,237.57 | (563.21) |
| Total tax (expense) | | 2,237.57 | (562.07) |
| Profit for the year from continuing operations | | (6,462.58) | (393.76) |
| Other comprehensive income (OCI) | | | |
| Other comprehensive income not to be reclassified to profit and loss in subsequent periods: | | | |
| Loss on actuarial valuation of post employment benefits | | - | - |
| Less: Income tax expense | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | (6,462.58) | (393.76) |
| Equity Share of par value Rs. 10 each | | | |
| Basic | | (60.36) | (3.68) |
| Diluted | | (60.36) | (3.68) |
| Summary of significant accounting policies | | | |
| The accompanying notes are an integral part of the financial statements 01-34 | | | |
| As per our report of even date | | | |
| For M/s. Harish Arora & Associates | | For and on behalf of the board of directors of Prabhat Technologies (India) Limited | |
| ICAI firm registration number: 015226C Chartered Accountants | | | |
| Sd/- | | Sd/- | Sd/- |
| CA. Harish Arora | | Rajendra Karanmal Bhuta | Parag Malde |
| Partner | | Resolution Professional | CFO |
| Membership no.: 407420 | | | |
| Place: Chittorgarh | | | |
| Date: 17/12/2020 | | | |
| UDIN: 20407420AAAAAR6931 | | | |

| Consolidated Cash Flow Statement for the year ended March 31, 2020 <i>(All amounts are in ₹ in lacs unless stated otherwise)</i> | | |
|--|--|--|
| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
| A. Cash flow from operating activities | | |
| Profit before extraordinary items and tax | (5,182.60) | (955.83) |
| Adjustments for: | | |
| Depreciation and amortisation expense | 91.13 | 89.01 |
| Finance costs | 77.26 | 110.38 |
| Interest income | 0.00 | (56.40) |
| M To M gain on fair valuation of investments | -64.26 | (116.59) |
| Rent received | -6.00 | (9.00) |
| Other Income | -310.02 | |
| Foreign Currency Translation Impact | 0.00 | 4.74 |
| Prior period interest charged by BOI | 0.00 | (133.40) |
| Deffered Tax Assets | 2237.57 | |
| Exceptional Item | -3517.55 | - |
| Non Sustainable Debt Pursuant to CIRP | 6199.24 | |
| Operating profit before working capital changes | (475.23) | (1,067.10) |
| Changes in working capital: | | |
| Adjustments for (increase)/ decrease in operating assets: | | |
| Inventories | 1512.71 | 1,485.50 |
| Loans | 0.00 | - |
| Other non-current assets | 247.43 | (414.04) |
| Trade receivables | 3554.50 | 2465.25 |
| Other non current financial assets | 5.78 | 27.23 |
| Other current assets | 3329.48 | (2,504.26) |
| Other current financial assets | 275.07 | 4.45 |
| | 8,924.97 | 1,064.13 |
| Adjustments for increase (decrease) in operating liabilities: | | |
| Trade payables | -2090.36 | (766.83) |
| Other current financial liabilities | -459.06 | (172.61) |
| Other current provisions | 0.00 | - |
| Other current liabilities | -190.32 | (376.77) |
| Other non-current liabilities | 0.00 | (137.68) |
| Other non-current financial liabilities | 2004.17 | (42.15) |
| Other non-current provisions | 0.00 | |
| Current Tax Liabilities (Net) | | |
| | (735.57) | (1,496.04) |
| Cash generated from operations | 7714.16 | (1,499.01) |
| Net income tax paid | (2,237.57) | 562.07 |
| Net cash flow from operating activities (A) | 5,476.59 | (936.94) |
| B. Cash flow from investing activities | | |
| Investment in subsidiary | - | (320.20) |
| Investment in shares | (101.09) | - |
| Rent received | 6.00 | 9.00 |
| Payment for purchase of property, plant and equipment | (6.00) | (67.18) |
| Asset Written off | 225.50 | |
| Intangible assets | 31.57 | - |
| Proceeds from sale of property, plant and equipment | - | 8.51 |
| Loans to related parties | - | - |
| Other Income | 310.02 | - |
| Interest income | - | 56.40 |
| M To M gain on fair valuation of investments | (64.26) | 116.59 |
| Net cash flow used in investing activities (B) | 401.74 | (196.88) |
| C. Cash flow from financing activities | | |
| Repayment of borrowings | (3,723.34) | - |
| Proceeds from short term borrowings | - | 1,168 |
| Finance cost | (77.26) | (110) |
| Net cash flow from/ (used in) financing activities (C) | (3,800.60) | 1,057.22 |
| Net increase/ (decrease) in Cash and cash equivalents (A+B+C) | 2,077.74 | (76.60) |
| Add: Cash and cash equivalents at the beginning of the year | 30.84 | 107.44 |
| Cash and cash equivalents at the end of the year * | 2,108.58 | 30.84 |
| Cash and cash equivalents at the end of the year* | | |
| *Comprises of: | | |
| (a) Cash on hand | 0.95 | 8.09 |
| (b) Balances with banks | | |
| (i) In current accounts | 107.63 | 22.75 |
| Assets Acquire on account of Amalgamation | | |
| Current Investments | | |
| | 108.58 | 30.84 |

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.
As per our report of even date

01-34

For M/s. Harish Arora & Associates
ICAI firm registration number: 015226C
Chartered Accountants

**For and on behalf of the board of directors of
Prabhat Technologies (India) Limited**

Sd/-
CA. Harish Arora
Partner
Membership no.: 407420

Sd/-
Rajendra Karanmal Bhuta
Resolutional Professional

Sd/-
Parag Malde
CFO

Place: Chittorgarh
Date: 17/12/2020
UDIN: 20407420AAAAAR6931

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

**Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East)
Mumbai. Notes to Financial statements for the year ended 31st March 2020**

Notes to consolidated financial statements

(All amounts in Indian Rupees, unless otherwise stated)

1. Corporate Information

Prabhat Technologies (India) Limited Formerly known as Prabhat Telecom (India) Limited ("the Company") (CIN: L72100MH2007PLC169551) was incorporated on 02nd April 2007 at Mumbai, India. The company is engaged in EMS, designing, development and distribution of mobile phones & accessories and solar Equipment's.

Reg. Address: Unit No. 402, Western Edge I, Kanakia Spaces, Western Express Highway, Borivali (East)
Mumbai Mumbai City MH 400066

2. Significant accounting policies

2.01 Basis of preparation of financial statements:

Financial statements for the year ended March 31, 2020 are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 together with comparative period data as at and for the year ended March 31, 2019.

For periods up to and including the year ended March 31, 2018 the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP')

2.02 Use of Estimates:

The preparation of financial statements is in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, and the income and expenses during the reporting period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Useful life of intangible assets
- Provisions

Prabhat Technologies (India) Limited

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Mumbai. Notes to Financial statements for the year ended 31st March 2020**

2.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current or non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

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

The Company classifies all other liabilities as non-current.

Deferred tax asset is classified as non-current assets.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.04 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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.

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Mumbai. Notes to Financial statements for the year ended 31st March 2020

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

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

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

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

The Company's Management determines the policies and procedures for both; recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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Mumbai. Notes to Financial statements for the year ended 31st March 2020**

2.05 Property, Plant and Equipment and Others:

I. Tangible Assets

Tangible assets are stated at cost of acquisition and construction less accumulated depreciation, amortization and where applicable accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal with the carrying amount of property, plant and equipment and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income/other expenses" in the statement of profit and loss.

II. Intangible Assets

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the enterprise and the cost of asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated at cost of development or consideration paid for acquisition less accumulated amortization and accumulated impairment loss, if any. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition

- III. Cost of fixed assets includes non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable costs of bringing the asset to its working condition for its intended use.
- IV. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit and loss.
- V. Capital work-in-progress comprised of cost incurred on fixed assets under construction/development/acquisition that are not yet ready for their intended use at the balance sheet date.

a. Depreciation and amortization:

i. Tangible Assets

Depreciation is provided on straight-line basis as per the useful life prescribed in schedule II to the Companies Act, 2013. Depreciation on assets acquired or purchased during the period is provided on pro- rata basis from the date of such addition. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and

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Mumbai. Notes to Financial statements for the year ended 31st March 2020

provides the indicative useful lives for different class of assets. Further, the management of the Company provides 100% depreciation on all assets costing Rs. 5,000 or less.

Leasehold premises and improvements to leased premises are depreciated over the period of lease or useful life whichever is lower.

The rates of depreciation used are those that have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The Companies Act, 2013 prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for different class of assets

Depreciation is provided on straight-line (SLM) basis at the rates mentioned below, based on the estimated useful life of the assets.

| Asset Class | Estimated useful life in years |
|------------------------|---------------------------------------|
| Buildings | 60 |
| Plant & Machinery | 15 |
| Computers | 3-5 |
| Furniture and fixtures | 10 |
| Vehicles | 8 |
| Office equipments | 5 |
| Leasehold improvements | Over the lease period |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Intangible Assets:

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Mumbai. Notes to Financial statements for the year ended 31st March 2020**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets include only software which are amortized over a period of six years.

2.06 Inventories:

Stock in trade are valued at lower of cost or net realizable value. Cost Include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.07 Revenue Recognition:

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

- i. Revenue from the sale of goods is recognised on dispatch of appropriation of goods in accordance with the terms of sale and is net of excise duty, incentive on sales including commission, rebates and discounts. Exports sales are recognised on the basis of the date of bill of lading/airways bill.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iii. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.

2.08 Foreign Currency Transactions:

Functional currency 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"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees which is the functional currency of the Company.

Prabhat Technologies (India) Limited

CIN: L72100MH2007PLC169551

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Mumbai. Notes to Financial statements for the year ended 31st March 2020

Transactions and balances

- i. Transactions in foreign currency are translated into Indian rupees at the exchange rates at the date of the transaction.
- ii. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.
- iii. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation difference on items whose fair value gain or loss is recognized in the statement of OCI or the statement of profit or loss is also recognized in the statement of OCI or the statement of profit or loss, respectively).

2.09 Employee Benefits:

i. Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

ii. Post-employment benefits

a. Defined Contribution Plan

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

b. Defined benefit plan and Other long-term benefits

The Company has defined benefit plans comprising of gratuity. Company's obligation towards gratuity liability is unfunded and is managed by Company itself. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

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- c. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of other comprehensive income and presented within equity.

2.10 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds. The company has not incurred any borrowing cost directly attributable to the qualifying asset during the reporting period.

2.11 Lease:

The company has not entered into any financial/operating lease contract during the reporting period.

2.12 Taxes on Income:

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and unused tax losses can be utilised, except:

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- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

2.13 Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.14 Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not

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probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The contingent liability is not recognized in books of account but its existence is disclosed in financial statements.

2.15 Segment Reporting:

The company's operation comprises of only one segment "development and distribution of mobile phones & accessories" as its Primary segment.

2.16 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events of bonus issue and share split. Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders with the weighted average number of equity shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.

2.17 Impairment of Assets

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

2.18 Financial instruments

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

Financial asset

Initial recognition and measurement

All financial assets are recognized initially at fair value. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

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Subsequent measurement

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

- at amortised cost through profit or loss
- at amortised cost through other comprehensive income
- at fair value through other comprehensive income
- at fair value through profit or loss

Financial assets at amortized cost

A Financial asset is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

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

Financial assets at fair value through the statement of profit and loss/other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the statement of OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets)

is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

The Management has evaluated the impairment provision requirement under IND AS 109 and has listed below major facts for trade and other receivables impairment provisioning:

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

Expected Credit Loss (ECL) impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head

'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables- ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through the statement of profit or loss, loans and borrowings, trade payables and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. However, with respect to difference that arises between the transaction price and the fair value of interest free loan taken from

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members, the Company has an accounting policy choice to recognise this difference in the statement of profit and loss or treat it as equity (capital contribution).

Subsequent measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Company has borrowings at floating rates. Considering that the impact of restatement of effective interest rate, year on year due to reset of interest rate, is immaterial, the Company is amortising the transaction cost on a straight-line basis over the tenure of the loan. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the transaction cost amortisation process.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or it expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Compound instruments

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|--------------------------------|-------------------------------|---|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in P&L. |
| FVTPL | Amortised cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |

Offsetting of financial instruments

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

Notes on Consolidated Financial Statements for the year ended 31 March, 2020

3 PROPERTY, PLANT AND EQUIPMENT

(Amount in lacs)

| Particulars | Free Hold Land | Building | Plant and Machinery | Furniture and Fixtures | Vehicles | Office Equipement | Total |
|---|----------------|----------|---------------------|------------------------|----------|-------------------|----------|
| Gross Carrying Amount Deemed Cost as on April 01, 2017 | 20.83 | 2,204.43 | 279.56 | 71.64 | 18.09 | 26.43 | 2,620.97 |
| Additions | | 5.63 | 1.67 | 0.23 | - | - | 7.53 |
| Deletion | | | | | (8.25) | | (8.25) |
| As on March 31, 2018 | 20.83 | 2,210.06 | 281.23 | 71.87 | 9.84 | 26.43 | 2,620.25 |
| Additions | - | 2.20 | - | 0.76 | - | 63.45 | 66.41 |
| Adjustments/ disposals | - | - | - | - | - | (8.51) | (8.51) |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2019 | 20.83 | 2,212.26 | 281.23 | 72.64 | 9.84 | 81.37 | 2,678.15 |
| Additions | - | 1.68 | 0.21 | 2.96 | - | 0.65 | 5.50 |
| Adjustments/ disposals | - | - | (206.21) | - | (0.73) | - | (206.94) |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2020 | 20.83 | 2,213.94 | 75.24 | 75.60 | 9.11 | 82.02 | 2,476.72 |
| Accumulated depreciation As on April 01, 2017 | - | 71.63 | 5.73 | 20.57 | 8.43 | 11.24 | 117.60 |
| Depreciation charge | - | - | - | - | - | - | - |
| Amortisation on leasehold im | - | 35.82 | 18.13 | 10.24 | 0.68 | 4.29 | 69.16 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| As on March 31, 2018 | - | 107.46 | 23.85 | 30.81 | 9.11 | 15.53 | 186.76 |
| Depreciation charge | - | 36.43 | 17.52 | 10.18 | - | 5.05 | 69.17 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2019 | - | 143.88 | 41.37 | 41.00 | 9.11 | 20.57 | 255.93 |
| Depreciation charge | - | 35.99 | 18.20 | 10.05 | - | 11.49 | 75.73 |
| Adjustments/ disposals | - | - | - | - | - | - | - |
| Assets held for sale (Note 17) | - | - | - | - | - | - | - |
| As on March 31, 2020 | - | 179.87 | 59.58 | 51.04 | 9.11 | 32.07 | 331.66 |
| Net Carrying Amount | | | | | | | |
| As on April 01, 2017 | 20.83 | 2,132.80 | 273.83 | 51.07 | 9.66 | 15.19 | 2,503.37 |
| As on March 31, 2018 | 20.83 | 2,102.60 | 257.37 | 41.06 | 0.73 | 10.90 | 2,433.50 |
| As on March 31, 2019 | 20.83 | 2,068.37 | 239.86 | 31.64 | 0.73 | 60.79 | 2,422.22 |
| As on March 31, 2020 | 20.83 | 2,034.06 | 15.70 | 24.56 | - | 45.96 | 2,141.11 |

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Notes on Consolidated Financial Statements for the year ended 31 March, 2020

4 INTANGIBLE ASSETS

(Amount in lacs)

| Particulars | Computer Software | Total |
|--|-------------------|---------------|
| Gross Carrying Amount | | |
| Deemed Cost as on April 1, 2017 | 128.88 | 128.88 |
| Additions on account of amalgamation | | |
| Additions | | |
| Adjustments/ disposals | | |
| As on March 31, 2018 | 128.88 | 128.88 |
| Additions | 0.78 | 0.78 |
| Adjustments/ disposals | | |
| As on March 31, 2019 | 131.52 | 131.52 |
| Additions | 0.50 | 0.50 |
| Adjustments/ disposals | 18.56 | 18.56 |
| As on March 31, 2020 | 113.46 | 113.46 |
| Accumulated depreciation | | |
| As on April 1, 2017 | 56.39 | 56.39 |
| Amortization charge | 21.36 | 21.36 |
| Adjustments/ disposals | | |
| As on March 31, 2018 | 77.76 | 77.76 |
| Amortization charge | 19.83 | 19.83 |
| Adjustments/ disposals | | |
| As on March 31, 2019 | 97.59 | 97.59 |
| Amortization charge | 15.37 | 15.37 |
| Adjustments/ disposals | | |
| As on March 31, 2020 | 112.96 | 112.96 |
| Net Carrying Amount | | |
| As on April 1, 2017 | 72.49 | 72.49 |
| As on March 31, 2018 | 51.12 | 51.12 |
| As on March 31, 2019 | 32.07 | 32.07 |
| As on March 31, 2020 | 0.50 | 0.50 |

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Notes on Consolidated Financial Statements for the year ended 31 March, 2020

5 NON CURRENT INVESTMENTS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Investments in Equity Instruments | | |
| Quoted Investments | | |
| Investment in Mutual Fund | 11.70 | 2.78 |
| Investment in Shares (Schedule-5.1) | 412.74 | 320.58 |
| Total | 424.45 | 323.36 |

5.1 Quoted Investments

| Particulars | For the year ended March 31, 2020 | As at March 31, 2019 |
|---|--------------------------------------|-------------------------|
| Investment in Mutual Fund | | |
| Motilal Oswal Midcap 30 Fund - Regular Growth | 8.90 | - |
| UNION KBC SMALL AND MIDCAP FUND | 2.80 | 2.78 |
| Total- A | 11.70 | 2.78 |
| Investment in Shares | | |
| Shares- BCPL Railway Infrastructures Ltd | 78.40 | |
| Shares - IRIS Mediaworks Ltd. | 329.01 | 293.65 |
| Shares - Pro Fin Capital Serv | 5.34 | 26.93 |
| Shares-NIP IND ETF Liquid Bees | - | |
| Total-B | 412.74 | 320.58 |
| Grand Total (A+B) | 424.45 | 323.36 |

6 OTHER NON CURRENT FINANCIAL ASSET

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------|-------------------------|-------------------------|
| Security Deposit | 4.76 | 10.53 |
| Total | 4.76 | 10.53 |

7 OTHER NON CURRENT ASSETS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------|-------------------------|-------------------------|
| Advance against imports | - | 202.43 |
| Others | - | 45.00 |
| Total | - | 247.43 |

8 INVENTORIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Raw Materials & Components | 84.41 | 862.79 |
| Work in Progress | | |
| Semi Finished & Finished goods | 78.08 | 812.41 |
| Stock In Transit | | |
| Total | 162.49 | 1,675.20 |

9 TRADE RECEIVABLES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Secured and considered good | | |
| Unsecured considered good | | 6,560.91 |
| Outstanding for a period exceeding six months from the date they are due for payment | 2,581.41 | - |
| Less : Provision for doubtful debt | | (425.00) |
| Others | | - |
| Considered Good | | - |
| Considered Doubtful | | (425.00) |
| Total Receivables | 2,581.41 | 6,135.91 |
| Current | 2,581.41 | 6,135.91 |
| Non-current | | - |

Notes on Consolidated Financial Statements for the year ended 31 March, 2020

10 CASH & CASH EQUIVALENT

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Balances with Bank | | |
| - Current Accounts INR | 107.63 | 22.75 |
| Cash on Hand | 0.95 | 8.09 |
| Total | 108.58 | 30.84 |

11 BANK BALANCES OTHER THAN ABOVE

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Fixed deposits with bank | - | 274.80 |
| LC margin money deposit | 19.50 | 19.50 |
| Total | 19.50 | 294.29 |

12 CURRENT LOAN

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------|-------------------------|-------------------------|
| Others | - | - |
| Total | - | - |

13 OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------|-------------------------|-------------------------|
| Security deposits | - | 0.28 |
| Total | - | 0.28 |

14 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Advance to vendors | 125.04 | 466.70 |
| Advance to employees | 1.00 | 1.67 |
| Advance against services | - | - |
| Advance against fixed assets | - | 34.83 |
| Balance with government authorities | 228.95 | 173.78 |
| Recoverable from creditors | - | 128.82 |
| Interest receivable | | |
| Prepaid expenses | | |
| Other advances | 599.88 | 3,466.01 |
| Total | 954.88 | 4,271.81 |

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Notes on Consolidated Financial Statements for the year ended 31 March, 2020

15 EQUITY SHARE CAPITAL

| Particulars | Number | Amount |
|-------------------------------------|--------------|--------|
| Authorised share capital | | |
| At March 31, 2019 | 1,200,000.00 | 120.00 |
| Increase (decrease) during the year | - | - |
| At March 31, 2020 | 1,200,000.00 | 120.00 |

| Particulars | Number | Amount |
|-------------------------------------|---------------|----------|
| Issued share capital | | |
| At March 31, 2019 | 10,706,278.00 | 1,070.63 |
| Increase (decrease) during the year | | |
| At March 31, 2020 | 10,706,278.00 | 1,070.63 |

b) The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts (after due adjustments in case shares are not fully paid up). No member shall be entitled to receive any dividend or bonus until having paid all calls or instalments.

c) Details of Shareholding more than 5% shres in the Company :

| Name of the shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------|-------------------------|-----------|-------------------------|-----------|
| | Number | % Holding | Number | % Holding |
| Equity shares | | | | |
| Vishwamani Matamani Tiwari | 6,525,046.00 | 60.95% | 6,525,046.00 | 60.95% |
| Vee Three Informatics Limited | 667,116.00 | 6.23% | 667,116.00 | 6.23% |

d) Details of Movement in Shareholding:

| Particulars | Equity shares as at March 31, 2020 | | Equity shares as at March 31, 2019 | |
|---|---------------------------------------|-----------------|---------------------------------------|-----------------|
| | Number | Amount | Number | Amount |
| Outstanding at the beginning of the year | 10,706,278.00 | 1,070.63 | 8,921,898.00 | 892.19 |
| Issued during the year | | | 1,784,380.00 | 178.44 |
| Bought back during the year | | | - | - |
| Outstanding at the end of the year | 10,706,278.00 | 1,070.63 | 10,706,278.00 | 1,070.63 |

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Notes on Consolidated Financial Statements for the year ended 31 March, 2020

16 RESERVES AND SURPLUS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Securities Premium | | |
| Balance at the beginning of the year | 2,710.37 | 2,888.81 |
| Add: Additions during the year | | (178.44) |
| Balance at the end of the year | 2,710.37 | 2,710.37 |
| Retained earnings | | |
| Opening Balance | (1,145.54) | (618.38) |
| Add: Ind AS Adjustments impact on opening Balance | | |
| Prior period interest charged by BOI | | (133.40) |
| Prior Period Adjustments | (81.71) | |
| Add: Profit for the year | (6,462.58) | (393.76) |
| Add: Ind AS Adjustments impact | | |
| Non- Sustainable Debt pursuant to CIRP | 14548.12 | |
| Less: Transferred to Profit & Loss A/c | -8348.88 | |
| Interest Payable | | |
| Provision for doubtful debts | | |
| Deffered Tax on above | | |
| Closing Balance | (1,490.59) | (1,145.54) |
| Foreign excahnge translation | | 4.74 |
| Total | 1,219.78 | 1,569.57 |

17 NON CURRENT BORROWINGS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| Borrowings from Banks | 2,004.17 | - |
| The above amount includes | | |
| Secured borrowings | | - |
| Unsecured borrowings* | 2,004.17 | - |
| Total | 2,004.17 | - |

18 DEFERRED TAX LIABILITIES (NET)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Deferred tax liability | | |
| On account of timing difference | - | 149.74 |
| Entries as per Ind AS | - | 0.80 |
| | - | 150.55 |
| Deferred tax asset | | |
| Income Tax Losses for Earlier Years | 424.73 | 575.28 |
| Others | 2,237.57 | |
| Ind AS adjustments | | |
| | 2,662.30 | 575.28 |
| Deferred Tax Assets Not Recognized | | - |
| Deferred Tax Liability/(Asset) | (2,662.30) | (424.73) |

Notes on Consolidated Financial Statements for the year ended 31 March, 2020

19 CURRENT BORROWINGS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------------|-------------------------|-------------------------|
| Secured | | |
| Borrowings from banks | 2,000.00 | 9,193.27 |
| Unsecured | | |
| Bank overdrafts | | 260.25 |
| Others | 2,241.79 | 511.61 |
| Total | 4,241.79 | 9,965.13 |

20 TRADE PAYABLES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-------------------------------------|-------------------------|-------------------------|
| Micro, Small and Medium Enterprises | | - |
| Others | 70.51 | 2,160.87 |
| Total | 70.51 | 2,160.87 |

21 OTHER FINANCIAL LIABILITIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|----------------|-------------------------|-------------------------|
| Salary payable | 4.19 | 24.67 |
| Others | 398.52 | 837.10 |
| Total | 402.71 | 861.77 |

22 CURRENT TAX LIABILITIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Opening balance | 143.99 | 182.43 |
| Add: Current tax payable for the current and prior period | | 1.56 |
| Less: Taxes paid | 143.99 | 40.00 |
| Total | (0.00) | 143.99 |

23 OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Advance from customers | 2.06 | 24.29 |
| Statutory remittances | 5.94 | 63.03 |
| Statutory Dues | 35.00 | - |
| Others | 5.47 | 9.41 |
| Other Liabilities-Payable to Employees | 1.93 | - |
| Total | 50.39 | 96.73 |

Notes on Consolidated Financial Statements for the year ended 31 March, 2020

24 REVENUE FROM OPERATIONS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Sale of services | | |
| Sale of products | 2333.65 | 13,043.10 |
| Other Operating Revenues | | |
| Total revenue from operations | 2,333.65 | 13,043.10 |

25 OTHER INCOME

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|------------------------------|--------------------------------------|--------------------------------------|
| Interest income | | 56.40 |
| Other income | 310.02 | (0.28) |
| Dividend Income | 0.90 | - |
| Sundry Balances written back | 0.26 | - |
| Foreign Exchange loss/(gain) | 22.67 | 15.25 |
| Rent Received | 6.00 | 9.00 |
| Fair Value Gain/Loss | 64.26 | 116.59 |
| Total | 404.11 | 196.96 |

26 COST OF RAW MATERIAL CONSUMED

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year: | 862.79 | 1,037.43 |
| Add: Purchases | 2592.86 | 11,605.63 |
| | 3,455.65 | 12,643.06 |
| Less: Inventories at the end of the year: | 84.41 | 862.79 |
| | 84.41 | 862.79 |
| Cost of Raw Material Consumed | 3,371.24 | 11,780.26 |

DETAILS OF RAW MATERIAL CONSUMED

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Indigenous | 3,360.42 | 11,582.72 |
| Indigenous (% of consumption) | 99.68% | 98.32% |
| Imported | 10.82 | 197.54 |
| Imported (% of consumption) | 0.32% | 1.68% |
| Total | 3,371.24 | 11,780.26 |

27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TARDE, SEMI FINISHED GOODS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year: | | |
| Work-in-progress | | |
| Semi finished and finished goods | 812.41 | 2,123.27 |
| Stock In Transit | | |
| | 812.41 | 2,123.27 |
| Inventories at the end of the year: | | |
| Work-in-progress | | |
| Semi finished and finished goods | 78.08 | 812.41 |
| | 78.08 | 812.41 |
| Total changes in inventories of finished goods | 734.33 | 1,310.86 |

Notes on Consolidated Financial Statements for the year ended 31 March, 2020

28 EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Salaries, Waqes & Bonus | 75.14 | 84.71 |
| Contribution to provident fund and other funds | 3.57 | 0.78 |
| Gratuity | - | 4.51 |
| Leave compensation | - | - |
| Staff welfare expense | 1.60 | 2.42 |
| Total | 80.31 | 92.43 |

29 FINANCE COSTS

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Interest expense on: | | |
| - Borrowings and Terms Loans | 77.07 | 110.08 |
| - - Promoters contribution | - | - |
| Other Borrowing Cost | | |
| - Bank Charges & Processing Fees | 0.18 | 0.30 |
| Total | 77.26 | 110.38 |

30 OTHER EXPENSES

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| Consumption of Stores, Spares & Consumables | 0.58 | 1.60 |
| Power & Fuel | 5.39 | 4.49 |
| Labour Charges | 4.00 | 4.75 |
| Repairs & Maintenance | | |
| - Other Assets | | 17.95 |
| Rent | 6.30 | 13.14 |
| Insurance | 0.17 | 0.14 |
| Rates & Taxes | 7.06 | 205.46 |
| Freight & Packing | 2.61 | 12.09 |
| Printing and Stationery | 1.52 | 1.92 |
| Telephone Expenses | 1.67 | 2.54 |
| Travelling & Conveyance | 10.57 | 13.08 |
| Provision for Doubtful Debts | - | 425.00 |
| Auditors Remuneration | | |
| - For Audit Services | 7.25 | 10.00 |
| Legal, Professional & Consultancy fees | 45.90 | 40.96 |
| Other Selling & Distribution Expenses | 15.14 | 33.73 |
| Sundry Balance Written Off (refer note 30.1 below) | 3,392.94 | |
| Other Expenses | 64.98 | 26.11 |
| Total | 3,566.08 | 812.96 |

Note 30.1

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Asset Impairment | | |
| Fixed Assets | 225.50 | - |
| Non Current Aseets | 253.59 | - |
| Current Assets | 5,503.81 | - |
| Provision Against Doubtfull Debts | (425.00) | - |
| Liabilities Impairment | | |
| Current | (1,180.68) | - |
| Non Current | (987.08) | - |
| Trade Payables- Expenses | 2.79 | - |
| Total | 3,392.94 | - |

31 Events Occuring After Balance Sheet Date

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Employees Claim (under CIRP) | (8.60) | |
| Financial Creditors (under CIRP) | 2,690.29 | |
| Total | 2,681.69 | - |

Notes : Corporate Insolvency Resolution Process

- 32.1 CIRP Petition under insolvency and bankruptcy code 2016 with national company law tribunal (NCLT) is filed against the company. Accordingly the IRP has been appointed vide dated 10th Oct 2019. Pursuant to order the power of the board of directors has been suspended after commencement of the CIR process and are exercisable by Mr. R.K. Bhuta, the IRP appointed by the NCLT, Mumbai. However the financial results has been signed by Chief Financial Officer of the Company, confirming completeness and accuracy of the results. The Financial results thereafter taken on record by RP on 17.12.2020 for filing with Stock exchange. The RP has relied upon the assistance provided by the management in relation to these financial results. The RP approved these financial Statements only to the limited extent of discharging powers of Board of Directors of the Company conferred on him in terms of Section 17 of the Code. The Statutory Audit for the quarter and year ended on March 31, 2020 as required under regulation 33 of SEBI (Listing Obligation and Disclosure requirements) regulation 2015, has been carried out by Statutory auditors of the Company.
- 32.2 Under the CIRP, a resolution plan was submitted for the consideration of Committee of Creditors (CoC), e-voting has taken place after 9th CoC Meeting, the RP has placed on record the result of Evoting and informed the Member and Shareholder that Resolution has been approved with 98.15% votes in favour of the resolution plan. The said resolution plan filed for approval of National Company Law tribunal (NCLT), Mumbai Bench for its approval vide dated 08th November 2020.
- 32.3 As per the Code, RP has received, collected, verified and admitted all the claims submitted by the Creditors and employees of the Company. Pursuant to Indian Accounting Standard (*Ind AS*) 10 *Events after the Reporting Period* The Impact of claims and payment proposed to Financial Creditor, Operational Creditor, Statutory Dues and Employees has been taken into consideration. The Amount payable to Financial Creditor, Operational Creditor, Statutory Dues and Employees has been reduced to the extent of amount proposed as per the resolution plan approved by the CoC. The Amount Written back is credited to Reserves & Surplus Account since the written back amount is in the nature of Capital receipt to the extent of Rs. 6199.24 Lakh. The summary is hereunder:

| Sr. No. | Particulars | Total Claim amount | Amount as per Approved Resolution Plan | Amount considered as Liability | Amount Written Back as Events after reporting period |
|---------|---------------------------------------|--------------------|--|--------------------------------|--|
| 1 | Continuing & Non-Continuing Employees | 923,905 | 923,905 | 923,905 | - |
| 2 | Secured Financial Creditor | 1,234,888,160 | 400,000,000 | 400,000,000 | 834,888,160 |
| 3 | Unsecured Financial Creditors | 829,662,981 | 224,178,894 | 224,178,894 | 605,484,087 |
| 4 | Operational Creditors | 8,145,475 | 1,221,821 | 1,221,821 | 6,923,654 |
| 5 | Statutory Dues | 1,101,691,251 | 3,500,000 | 3,500,000 | 7,516,251 |

- 32.4 The Unsecured Financial Creditor, as stated in Para 3 above, includes creditors to the extent of Rs. 1606.80 Lakh arising out of invocation of Financial Guarantee.
- 32.5 **Impact of Covid-19**
In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the Company's business operations were temporarily disrupted. The Management has considered the possible effects, if any, that may result from the pandemic on the carrying amounts of assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these financial results. The Company has used assumptions based on current indicators of future economic conditions and based on the same the Company expects to recover the carrying amount of these assets. Further, the management is continuously assessing the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not materially impact the current Financial Year ended March 31, 2020, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is difficult. Accordingly, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.
- 32.6 Balance of Receivable (Sundry Debtors) includes Rs. 1639.73 Lakh against which the IRP has filed Recovery petition at appropriate forum pursuant to approval of Committee of Creditors.
- 32.7 The Closing stock has been revalued at its net realisable value based on the valuation reports and internal workings. The Impairment provision has been debit to Profit and Loss Account for the Quarter ended 31st March 2020.
- 33 The Company is primarily engaged in one business segment namely - "Technology & related technique equipment." - as determined by the chief operating decision maker in accordance with Ind AS 108 - "Operating Segment".
- 34 Figures of Corresponding periods are reclassified/ regrouped wherever necessary.

For M/s. Harish Arora & Associates
ICAI firm registration number: 015226C
Chartered Accountants

**For and on behalf of the
Prabhat Technologies (India) Limited**

Sd/-
CA. Harish Arora
Partner
Membership no.: 407420

Sd/-
Rajendra Karanmal Bhuta
Resolution professional

Sd/-
Parag Malde
CFO

Place: Mumbai
Date: 17/12/2020
UDIN:

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020**Contingent liability and capital commitments**

| Particulars | As at March 31, 2020 (in Lacs) | As at March 31, 2019 (in Lacs) |
|--|--|--|
| Capital Commitments | | |
| - Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Advances) | - | - |
| Contingent Liabilities | | |
| - Claims against company not acknowledged as debts | - | - |
| - Tax Matters (Refer Note) | - | 10,354.32 |

Note: Company is in proceeding of insolvency and Pursuant to that company recognised contingent liabilities as actual after balance sheet date and approved by CIRP and later on confirmed by COC.

Earnings and expenditure in foreign currency

| Particulars | 2019-20 | | 2018-19 | |
|-----------------------------------|----------------|---------------|----------------|---------------|
| | USD | Rupees | USD | Rupees |
| Foreign Exchange Earnings | | | | |
| Rendering of services | - | - | - | - |
| Foreign Exchange Outgoings | | | | |
| Purchase (Import) | 0.37 | 26.61 | 2.54 | 166.45 |

(This space has been left blank intentionally)

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020

Earnings Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding at the end 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.

The following reflects the income and share data used in the basic and diluted EPS computation:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Profit after tax as per profit and loss account | (6,452.04) | (403.25) |
| Weighted average number of equity shares for basic EPS* | 107.06 | 107.06 |
| Weighted average number of equity shares adjusted for the effect of Face value per share | 107.06 | 107.06 |
| Basic earning per share | (60.26) | (3.77) |
| Diluted earning per share | (60.26) | (3.77) |

Leases

The company has not entered into any financial/operating lease contract during the reporting period

Related Parties Disclosures

Disclosures as required by Indian Accounting Standard 24 - "Related Party Disclosures" are given below

Name of the enterprises that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with reporting entity or significantly influenced by Key Management Personnel and/or their relatives:

| Name of the Related Party | Relationship |
|---|--------------|
| Prabhatech Global Electronics Private Limited | Subsidiary |
| Prabhat Telecoms Hongkong Limited | Subsidiary |

Director and Key Management Personnel and their relatives

| Name of the Person | Relationship |
|----------------------------------|---|
| Mr. Vishwamani Matamani Tiwari | Managing Director and Chairman (Suspended w.e.f 10.10.2019) |
| Mr. Parag Malde | Whole Time Director & Chief Financial Officer |
| Ms. Geeta Krishna Bhosle | Non-Executive Independent Director (Suspended w.e.f 10.10.2019) |
| Ms. Nidhi Prem Chand Dодhia | Non-Executive Independent Director (Suspended w.e.f 10.10.2019) |
| Mr. Alberto Agostino Mario Zummo | Non-Executive - Independent Director (Suspended w.e.f 10.10.2019) |
| Ms. Meghna Kashte | Company Secretary & Compliance Officer (Resigned on 19.12.2019) |

Enterprise over which Key Managerial Personnel and the Relative of Key Managerial Personnel exercise control/significant influence (Other Related Concerns)

| Name of Enterprise | Legal status of such entity |
|--|--|
| Prabhat Enterprises | Associated Enterprise |
| Vishwamani Tiwari HUF | Hindu Individual Family of Managing Director |
| Vee Three Informatics Limited | Public Limited Company |
| Prabhat Charter Infra Services Private Limited | Private Limited Company |

Transactions with the above in the ordinary course of business:

(Amount in lacs)

| Name of the Related Party | Nature | March 31, 2020 | March 31, 2019 |
|--|-------------------------|----------------|----------------|
| Prabhat Enterprises | Loan taken | 7.00 | 115.47 |
| | Loan Repaid | 0.04 | 199.31 |
| Prabhat Charter Infra Services Private Limited | Loan Given | - | 148.02 |
| | Loan Repaid | - | 151.94 |
| V. M. Tiwari | Loan taken | 381.54 | 711.34 |
| | Loan Repaid | 381.54 | 720.75 |
| | Managerial Remuneration | 1.97 | 1.30 |
| Parag Malde | Loan Given | - | 66.04 |
| | Loan Repaid | 31.02 | 70.02 |
| | Managerial Remuneration | 3.36 | 7.32 |
| Dipti More | Managerial Remuneration | - | - |
| Prabhatech Global Electronics Private Limited | Sale of Fixed Assets | - | 10.06 |
| | Loan Given | 4.01 | - |
| Vee Three Informatics Limited | Sale of Goods | 1,988.07 | 1,298.76 |
| | Purchase of Goods | 1,397.38 | 902.67 |
| Meghna Kashte | Remuneration | 1.79 | 0.43 |

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020

Disclosure of material balances with related parties.

(Amount in lacs)

| Name of the Related Party | Relation | As at March 31, 2020 | As at March 31, 2019 |
|--|--|-------------------------|-------------------------|
| Prabhat Enterprises | Other Related Concern | - | - |
| Prabhat Charter Infra Services Private Limited | Other Related Concern | - | - |
| V. M. Tiwari | Managing Director and Chairman | 0.00 | 0.00 |
| Parag Malde | Whole Time Director & Chief Financial Officer | - | (6.79) |
| Prabhatech Global Electronics Private Limited | Subsidiary | 4.04 | 0.06 |
| Vee Three Informatics Limited | Other Related Concern | - | 385.18 |

Fair values

Fair value measurement includes both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The carrying values of the long-term financial instruments approximates the fair values as the management has considered the fair value measurement techniques using the observable data i.e. the discounting rate which was similar as to rates, tenure and the credit rating of the other instruments of the Company. The management has also considered the effect of time value of money with respect to other long term financial instruments by taking the Company's fixed deposit rate of the Company.

Financial risk management objectives and policies & Capital Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same

The Company has constituted a Risk Management Committee consisting of majority of directors and senior managerial personnel. The Company has a robust risk management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage.

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the year by categories:

(Amount in lacs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Financial assets | | | |
| Investments | - | - | - |
| Cash and cash equivalents | 108.51 | 28.51 | 105.70 |
| Trade receivables | 2,581.00 | 4,852.37 | 7,415.10 |
| Loans | - | - | - |
| Other financial assets | - | 0.28 | 4.72 |
| At end of the year | 2,689.50 | 4,881.16 | 7,525.52 |
| Financial liabilities | | | |
| Borrowings | 4,241.79 | 9,965.13 | 8,797.53 |
| Trade payables | 66.57 | 868.84 | 1,723.39 |
| Other financial liabilities | 402.71 | 861.77 | 1,034.37 |
| At end of the year | 4,711.07 | 11,695.74 | 11,555.29 |

The Company is exposed to market risk, credit risk and liquidity risk.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Trade receivables

For trade receivables "Ind AS 109 Financial Instruments" permits the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. In order to determine the expected credit losses for the portfolio, company have to arrive at a provision matrix. This provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated.

However, The company has not observed any such default rates in the past and as result a result it could not arrive at the provision matrix for the portfolio. Hence, The mangement has made an adhoc provision of 10% for the receivables outstanding more than 365 days on a prudence basis.

Ageing of trade receivable

| Particulars | Days | | |
|----------------------|----------|---------|-----------|
| | 0-180 | 180-365 | Above 365 |
| As on March 31, 2020 | 987.47 | 281.58 | 1,311.95 |
| As on March 31, 2019 | 2,850.49 | 703.67 | 1,723.21 |

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020

Liquidity risk

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequated sources of funding.

| Particulars | (Amount in lacs) | | | |
|----------------------------------|------------------|------------------|-----------------|-----------------|
| | Total | Less than 1 year | 1 to 2 years | 2- 5 years |
| | □ | □ | □ | □ |
| Year ended March 31, 2020 | | | | |
| Borrowings | 4,241.79 | 4,241.79 | 0.00 | - |
| Trade payables | 66.57 | 66.57 | - | - |
| Other financial liabilities | 402.71 | 402.71 | - | - |
| | 4,711.07 | 4,711.07 | 0.00 | - |
| Year ended March 31, 2019 | | | | |
| Borrowings | 9,965.13 | 1,152.68 | 1,702.78 | 6,991.19 |
| Trade payables | 868.84 | 908.63 | 76.09 | 2.59 |
| Other financial liabilities | 861.77 | 20.19 | 39.58 | 802.00 |
| | 11,695.74 | 2,081.50 | 1,818.45 | 7,795.78 |
| | | | | |

Market risk

Market risk is the risk that the fair value of the future cash flows of the financial instruments will fluctuate because of changes in market prices. Market risk comprises three type of risk: Currency risk, interest risk, other price risk, such as equity price and commodity risk. The value of financial instrument may change as a result of changes in the interest rate, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Financial instrument affected by market risk include loans and borrowing, deposits and investments.

Foreign currency risk

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken. The Company's foreign currency exposure arises mainly from foreign exchange imports and exports, primarily with respect to USD.

a) The company has not entered into any derivatives transaction during the year presented under and has no derivatives outstanding as at the reporting date

Interest rate risk

Company's interest rate risk arises from borrowings. The Company adopts a policy of ensuring that maximum of its interest rate risk exposure is at a fixed rate. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

The Company's interest-bearing financial instruments is reported as below:

| Particulars | As at | As at | As at |
|----------------------------------|----------------|----------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2018 |
| Fixed rate instruments | | | |
| Financial Assets | 439.20 | 274.80 | 22.75 |
| Financial liabilities | | | |
| Variable rate instruments | | | |
| Financial Assets | 2,709.00 | 4,900.66 | 7,546.28 |
| Financial liabilities | 4,711.07 | 11,695.74 | 11,555.29 |

(This space has been left blank intentionally)

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020

Interest rate sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's exposure to the risk of changes in market rates relates primarily to the Company's long-term debt obligations with floating interest rates.

| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Long term variable interest rate borrowings | 0.00 | - | - |
| Short term variable interest rate borrowings | 4,241.79 | 9,965.13 | 8,797.53 |
| | 4,241.79 | 9,965.13 | 8,797.53 |

Cash flow sensitivity analysis for variable-rate instruments:

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant:

| Year ended | Increase/ (decrease) in basis points | Effect on profit before tax increase/ (decrease) |
|----------------|---|---|
| March 31, 2020 | 42.42 | (8,752.03) |
| March 31, 2019 | 99.65 | (1,066.11) |
| March 31, 2018 | 87.98 | (2,007.52) |

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of shareholder.

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Loans and borrowings | 4,241.79 | 9,965.13 | 8,839.68 |
| Trade payables | 66.57 | 868.84 | 1,723.39 |
| Other payables | 402.71 | 1,092.82 | 1,643.93 |
| Less: Cash and cash equivalents | 108.51 | 28.51 | 105.70 |
| Net debt (A) | 4,602.57 | 11,898.27 | 12,101.30 |
| Equity | 2,301.13 | 2,553.93 | 3,090.57 |
| Capital and net debt (B) | 2,301.13 | 2,553.93 | 3,090.57 |
| Capital gearing ratio (A/B) | 2.00 | 4.66 | 3.92 |

To achieve the overall objective, the Company's capital management aims to ensure that it meets the financial covenants attached to loans and borrowings. Breaches in meeting the covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any loans and borrowings in the current year.

Income tax

Income statement

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Adjustments in respect of current income tax of previous year | - | - |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | 2,237.57 | (563.21) |
| Relating to origination and reversal of temporary differences through OCI | | |
| Income tax expense reported in the income statement | 2,237.57 | (563.21) |

Other Disclosures to Consolidated Financial Statements for the year ended 31 March, 2020

Estimates

Ind AS 109-Financial Instruments (Classification and measurement of financial assets)

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

Ind AS 16 Property, Plant and Equipment and Ind AS 38 Intangible Assets

If there is no change in the functional currency an entity may elect to measure an item of property, plant and equipment and intangible assets at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment and intangible assets by applying Ind AS retrospectively or use the carrying amount under previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its property, plant and equipment and intangible assets, measured as per previous GAAP and use that as its deemed cost as at the date of transition to Ind AS .

Reconciliation of Equity as previously reported under IGAAP

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------------------|-------------------------|-------------------------|
| Equity capital | 1,070.63 | 1,070.63 | 892.19 |
| Reserves | 1,230.50 | 1,483.30 | 2,491.38 |
| As reported under IGAAP | 2,301.13 | 2,553.93 | 3,383.57 |
| Finance charges as per EIR calculation | - | - | 0.40 |
| Prior period Items | - | - | 2.02 |
| OCI | - | - | - |
| MTM Gain/(Loss) | - | - | (289.41) |
| Fair value of investment | - | - | (0.75) |
| Term Loans | - | - | (5.26) |
| Total | - | - | (293.00) |
| As reported under Ind AS | 2,301.13 | 2,553.93 | 3,090.57 |

*Ind AS adjustments for the year ended March 31, 2019 and March 31, 2018 are cumulative(inclusive of Ind AS adjustments as at April 01, 2017)

As per Ind AS

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2018 |
|------------------------|-------------------------|-------------------------|-------------------------|
| Equity capital | 1,070.63 | 1,070.63 | 892.19 |
| Reserves | 1,230.50 | 1,483.30 | 2,198.38 |
| Share suspense account | - | - | - |
| | 2,301.13 | 2,553.93 | 3,090.57 |

Segmental information

As the Company's business activities fall within a single primary business segment, the disclosure requirements of Ind AS 108 in this regard are not applicable.

Classification and presentation of assets and liabilities

Under IGAAP, the Company was not required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Under Ind AS, the Company is required to present its assets and liabilities bifurcated between financial assets/ financial liabilities and non-financial assets/ non-financial liabilities. Accordingly, the Company has classified and presented the assets and liabilities.

In the opinion of the management, the current assets, loans & advances have been stated at realizable value. Provision for all the known liabilities is adequate and not in excess of the amount reasonably necessary.

Additional Information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either nil or not applicable to the company.

Balances of Sundry Debtors, Creditors and Loans and Advances and Advances received from customers are subject to confirmation and reconciliation and consequent adjustments, if any.

These financial statements have been prepared in the format prescribed by the revised schedule III to the Companies Act, 2013. Previous period figures are regrouped or rearranged wherever considered necessary.

Subsequent events

The Company evaluated all events and transactions that occurred after March 31, 2020, the date on which the financial statements are issued. Based on the evaluation, the Company has identified events or transactions that would require recognition or disclosure in the financial statements. The same has been disclosed in Note No. 31 & 32.3

***ANNUAL
REPORT
Year 2019-20***

PRABHAT TECHNOLOGIES (INDIA) LIMITED

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