

# PRATHISTA INDUSTRIES LIMITED

AN ISO : 9001, 14001 & OHSAS 18001 CERTIFIED COMPANY

## SUCCESS WITH NETWORKING



**PRATHISTA**

*The pride of being*

INDIA BASED MULTINATIONAL COMPANY

### " MAKE IN INDIA PROJECT "

## 22<sup>nd</sup> ANNUAL REPORT 2017-18



### PRATHISTA MISSION

RESEARCH & DEVELOPMENT  
GREEN TECHNOLOGIES  
FARMERS' PROSPERITY

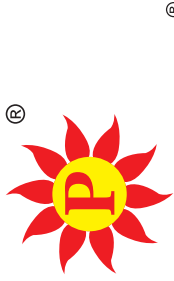
### NON GMO

PHARMACEUTICALS  
FOOD INGREDIENTS  
NUTRACEUTICALS  
FEED SUPPLEMENTS

### PRATHISTA COLLABORATORS - GOVT. OF INDIA



National Agricultural Innovation Project, Indian Agricultural Research Institute,  
Central Arid Zone Research Institute,  
Indian Council of Agricultural Research & Council for Scientific & Industrial Research



**PRATHISTA**<sup>®</sup>

*The pride of being*

# **PRATHISTA INDUSTRIES LIMITED**

AS ISO : 9001, 14001 & OHSAS 18001 CERTIFIED COMPANY

**INDIA BASED MULTINATIONAL COMPANY**



**" MAKE IN INDIA PROJECT "**



**Dr.Ram-Chairman Prathista Ind. Ltd interacted with  
Mr.Arthur Stickley -CFO, Nutek Food Science USA**





Uzbekistan Ambassador visits Prathista facilities





**Prathista team won Gold Medal at XII Moscow International Salon of Inventions & Innovation Technologies (ARCHIMEDES) at Russia**



**Emirates BioFertilizers Senior officials visited  
Prathista Facility for Possible Collaboration**



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# PRATHISTA INDUSTRIES LIMITED

CIN : U29150TG1996PLC025278

## **BOARD OF DIRECTORS**

Dr. MVSS Sairam	Managing Director
Shri K. Yadagiri Rao	Director (w.e.f. 05/09/2017)
Shri Ajit Vaid	Director (w.e.f. 15/11/2017)
Dr. S Raghuvardhan Reddy	Independent Director (Upto 28/09/2017)
Dr. J.C. Tarafdar	Independent Director (Upto 30/06/2017)
Shri M L Gupta	Independent Director.(Upto 08/03/2018)
Dr.P.Chandrasekhara Rao	Additional Director (Upto 28/09/2017)
Dr.M.Bhagvanth Rao	Additional Director (Upto 30/06/2017)

**Company Secretary** : M. Lakshmi Narayana

### **Banks :**

**Andhra Bank**, R.P. Road, Secunderabad  
**State Bank of India**, Commercial Branch, Secunderabad.

### **Auditors**

M/s. P. Murali & Co  
Chartered Accountants  
6-3-655/2/3, I Floor, Somajiguda, Hyderabad – 500 082

### **Registered Office & Factory**

Survey No.273-274, S.Lingotam, Choutuppal  
Yadadri Bhongir, Telangana State  
Ph.No.+91 40 27974711. E-mail:info@prathista.com  
Website : www.prathista.com

### **Corporate Office**

1-5-1015, Plot No. 80 & 81, Vaishnavi Bhavan,  
Father Balaiah Nagar, Manjeera Nagar Colony, Old Alwal,  
Secunderabad – 500 010, Telangana.  
Ph. No. +91 40 27974989, 65538358  
E-mail : info@prathista.com, Website:www.prathista.com

### **NOTICE**

NOTICE is hereby given that the 22nd Annual General Meeting of Prathista Industries Limited (CIN:U29150TG1996PLC025278) will be held on Wednesday the 30th July 2018 at 11:00 a.m. at the Registered Office of the Company at Survey No.273-274, S.Lingotam, Choutuppal, Yadadri Bhongir, Nalgonda, Telangana State to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March,2018 and Statement of Profit and Loss for the year ended as on that date together with the reports of Auditors' and Directors' thereon.
2. To declare dividend if any on the Equity Share Capital of the Company as on 31st March,2018.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass the following Resolution with or without any modification as an Ordinary Resolution:

**RESOLVED THAT** pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made there under and pursuant to the recommendations of the Audit Committee of Board of Directors, the appointment of M/s. P. Murali & Co, Chartered Accountants, Hyderabad having Registration No.0072575 (who were appointed by the Members upto the conclusion of the Annual General Meeting to be held in 2019 as Statutory Auditors of the Company) be and is hereby ratified until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit approve the following Resolutions with or without any modification thereon as an Ordinary Resolution:

**(I) RESOLVED THAT** pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and Rules made there under and Article 104 of Articles of Association of the Company, Shri Ajit Vaid who was appointed as an Additional Director by Board of Directors of Prathista Industries Limited at its duly held meeting on 15th November, 2017, who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the Office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the remuneration payable to Shri Ajit Vaid shall not exceed the overall ceiling of the total remuneration as provided under Section 197 of the Companies Act, 2013 or such limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** Dr. MVSS Sairam, Managing Director be and is hereby authorized to do all such acts, deeds and execute all such documents as may be required to give effect to the aforesaid Resolution.

**By Order of the Board  
Sd/-  
M.Lakshmi Narayana  
Company Secretary  
ICSI Membership No.20143**

**Place: Secunderabad  
Date: 26-07-2018**

**Registered Office:  
Survey No.273-274, S.Lingotam,  
Choutuppal, Yadadri Bhongir, Nalgonda,  
Telangana State**



**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The instrument of proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy and such person shall not act as a proxy for any other person or member.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****For Item No.5 of the Notice**

1. Pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 and Rules made there under and Article 104 of Articles of Association of the Company, the Board of Directors of the Company at its duly held Board Meeting on 05th September, 2017 appointed Shri Ajit as Additional Director on the Board and such Directors shall hold office upto the date of this Annual General Meeting.
2. Shri Ajit Vaid having very rich experience and exposure in the Technology required for further improving the business operations of the Company. Also Shri Ajit Vaid having exposure in the field of Agriculture marketing which may be helpful to further widen the marketing operations of the Company.
3. The Company has received Notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member of the Company signifying his intention to propose the appointment of Shri Ajit Vaid as Director on the Board of the Company.
4. The remuneration payable to Shri Ajit Vaid shall not exceed the overall ceiling of the total remuneration as provided under Section 197 of the Companies Act, 2013 or such limits as may be prescribed from time to time.
5. None of the Directors, Key Managerial Personnel are in any concerned or interested in the said Resolutions.

**By Order of the Board**  
**Sd/-**  
**M.Lakshmi Narayana**  
**Company Secretary**  
**ICSI Membership No.20143**

**Place: Secunderabad**  
**Date: 26-07-2018**

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2018..

### FINANCIAL RESULTS

The Company has achieved cash profit of around 4.28%. The summarized financial results for the year are as under:

(Rs. in lakhs)

Particulars	2017 - 18	2016 - 17
a) Sales & other income	<b>20187.21</b>	19503.44
b) Operating Profit	<b>1468.00</b>	1477.89
c) Interest	<b>557.96</b>	496.15
d) Depreciation	<b>441.54</b>	440.11
e) Provision for Tax	<b>94.52</b>	83.64
f) Provision for Deferred Tax Liability (Asset)	<b>28.99</b>	62.34
g) Net Profit/ (Loss) after tax	<b>398.05</b>	395.65
h) Balance brought forward	<b>2360.61</b>	1964.96
l) Profit available for appropriation	<b>2758.67</b>	2360.61
j) Appropriations:		
General Reserve	—	—
Proposed Dividend (incl. Tax on Dividend)	—	—
k) Balance carried to Balance Sheet	<b>2758.67</b>	2360.61

### Dividend

Your Directors wish to reserve the profits for on-going expansion project and also for operations of the Company in order to increase the Shareholders margins and hence the company is not recommending any dividend for the year under review.

### Transfer to Reserves

During the year under review, no amount has been transferred to reserves account.

### Share Capital

The Authorized Capital of the Company has been increased from Rs.9,50,00,000 to Rs.10,10,00,000. However the paid-up equity capital as on March 31, 2018 stood at Rs.9,49,82,430 without any change as compared to the previous financial year. The Company has not issued any shares, not bought back any of its securities, not issued any Sweat Equity Shares or Bonus shares and not provided any Stock Option Scheme to the employees during the year under review.

However your company is yet to meet stipulations made by Andhra Bank to increase paid-up capital while sanctioning term loan under consortium arrangements. Your Directors will be meeting this special stipulations shortly to honor the sanction letter stipulations based on which the term loans are sanctioned under consortium arrangements.

### **Business Developments, Review of Business Operations and Future Prospects**

Your company has obtained need based certifications and licenses from FSSAI, Govt. of India, USFDA etc., to sell Food Ingredients across the globe besides in Domestic markets.

Your directors are pleased to share that your company is focusing more on export sales to enhance bottom line with less importance on top line and wish to be Star – I exporter in nearest future.

The company range of Food Ingredient products received great reputation in North American markets while the products are already approved in Europe UK, Australia and other countries and trail orders are executed successfully.

Your company has entered a contract with US based company to market clean label, Natural Food Ingredient products for sizable business during coming years and with this arrangements, your company will be successfully discharging its obligations under the contract in a timely manner.

In the process, we are proud to be associated in the nation building by way of earning much needed foreign exchange for the country. We are bullish on the export potential of our product and are in successful negotiations to expand our export markets and widen the customer base in the coming months.

Your company is meeting its financial obligations to Banks promptly and has raised funds under consortium arrangements in the form of term loan for new project @ Rs 10.00 crores from Andhra Bank and State Bank of India under consortium arrangements.

Your Directors pleased to share that, your company has signed few licensing agreements with National body viz., India Council of Scientific and Industrial Research (ICAR – Government of India) for possible commercialization of ICAR innovations which includes NANO fertilizers and Nano Micro nutrients, FCO act Bio Organic fertilizers which will be produced through biological methodologies and will be introduced for the first time in the Globe.

Your Company is taking up commercialization of such technologies to introduce new innovations for the benefit of Agriculture segment with ICAR as technical collaborators and also to enhance product portfolio to capture the market.

Your Directors are pleased to share that, few corporate companies are already showing keen interest to join hands with your Company to co-marketing these new innovations in domestic market throughout the Country using their established network.

Your Directors are pleased to inform the following developments during the year regarding performance of the Company.

- a) Your Company has successfully utilized earlier commissioned “Make in India” project to enhance rate of production to produce new products.
- b) New products marketing tie up made for sizable sales.
- c) Innovative feed supplements introduced and started sales
- d) Focus on Pharma and Nutraceutical products to enhance market share

Your Company's products continue to be listed in OMRI (Organic Material Review Institute) as per USDA norms and recently few more Brands have been successfully included in OMRI list as per USAD - NOP standards.



Your Directors are pleased to submit that your company facilities were approved by USFDA which facilities entering into American markets gradually.

Your Directors are pleased to share your Company's manufacturing facilities situated at various States and their present status is as under:-

- a) Sohna Industrial Area– Haryana state is being used as formulation unit using basic in-puts from Choutuppal mother plant
- b) Bhavnagar – Gujarat state is being used as formulation unit using basic in-puts from Choutuppal mother plant

### **Domestic Business**

The marketing department has been structured into various segments viz., Direct Marketing, Corporate Marketing, Pharma, Animal Health Care, and Exports, for its effective functioning.

### **Direct Marketing**

More focus is being given to expand direct marketing activities to promote Prathista brands across the Country and the business is growing vertically with dedicated team efforts.

New Zonal office is opened at Panchkula – Haryana to take care of J & K, Punjab, Haryana and Himachal Pradesh states to provide focus on these potential states as long term strategy.

### **Corporate Marketing**

Your company is pleased to share that corporate marketing strategy is back bone for company's future strategies and accordingly dedicated senior team is identified with individual responsibilities as profit making department.

More clients being added to enhance sales vertically through institutional sales.

### **Nutritional in-puts**

Your company is enhancing production capacity of Nutritional in-puts for Pharma / Food and allied sectors to enjoy Global leader position.

The sales of bulk drugs like Calcium Lactate and allied products are increasing substantially through institutional sales

### **Preferential share allotment for USA based customers**

As on date, your company has allotted preferential shares to the following USA based companies who are established valuable customers for your company and sourcing Food Ingredient products to cater the needs of North American markets. The main objective of this investment is to clear long pending dues for various heads:-

- a) NuTek Food Sciences LLC – 537626.00
- b) Cain Food Inc - 537626.00

Besides, preferential shares, your company also allotted equity shares as under:-

- a) NuTek Food Sciences LLC – 10.00
- b) Cain Food Inc – 10.00

### **Statutory liabilities**

Your company has paid the pending IT dues up to date.

### **Clearing of SPREAD (World Bank) Loan to ICICI Bank Limited**

As on date, your company has paid total liability to SPREAD loan for ICICI Bank Limited as per law.

### **Unsecured Creditors**

As on date, your company has paid all dues to unsecured creditors to their satisfaction and obtained no dues certificates.

### **International Market**

Substantial focus with dedicated team with regular visits to few focused Courtiers has taken up during the year to enhance export sales vertically and earlier payment collections were substantial during the year due to frequent visits to the international customers.

### **Innovative Outlook**

Your Directors are pleased to share that International Conference on Nano Technology utilization for Agriculture segment is conducted successfully in collaboration with ICAR in Hyderabad – India to give focus on new innovations which will benefit to promote Prathista products across the Globe.

Your Directors vision on Industry – Academia collaboration is in focused manner to bridge the gap between science and common man which facilitates commercialization of innovations available in academic institutions with “lab to land” concept.

In accordance with this concept, more Research driven MoUs were exchanged with few Universities within India and also in abroad.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The required information as per section 134(3)(m) of the Companies Act 2013, is provided hereunder:

#### **(A) CONSERVATION OF ENERGY:**

The Company has been continuously making efforts to reduce energy consumption. The management is striving to achieve cost reduction by economical usage of energy.

#### **(I) The steps taken or impact on conservation of energy:**

The Company has been continuously making efforts to reduce energy consumption and the management is striving to achieve cost reduction by economical usage of energy.

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

As the Company needs only minimum level of energy, it has not looked in to an alternative source of energy.

**(iii) The capital investment on energy conservation equipment:**

The Company has not made any capital investment as it is not required at this stage.

**(B) TECHNOLOGY ABSORPTION:**

**Technology, absorption, adaptation and innovation :** Your company has developed few innovative technologies using in-house R&D expertise and these products will be game changers for the company's vertical growth in nearest future.

**Research and Development (R&D)**

<b>Expenditure on R&amp;D</b>	<b>Rs in Lakhs</b>
<b>a. Capital :</b>	<b>338.39</b>
<b>b. Recurring:</b>	<b>609.48</b>
<b>c. Total:</b>	<b>947.87</b>
<b>Total R&amp;D expenditure as a percentage of total turnover</b>	<b>4.69%</b>

**(C) Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earnings	: Rs. 26,33,49,068/-
Foreign Exchange Outgo	: Rs. 2,05,66,097/-

**Corporate Social Responsibility**

Your Directors are pleased to share that the company has taken up focused corporate social responsibilities by providing products with 50% subsidy in Nalgonda District in Telangana State and also in Bhavnagar District in Gujarat state.

Your company is providing financial assistance for financial poor Students with sponsorship programs for Masters and PhD programs which includes sponsoring Prime Minister's Research grant program for one student at IARI – Delhi to complete his PhD thesis with a concept to provide value addition through industrial process to produce natural colors / Nutraceuticals based on low value crops like Black Carrot, Tomato and Capsicum etc.,

Your company is continuing to adopt two villages along with NAARM, ICAR – Government of India and offering services to uplift villages from all fronts.

Your company is providing capacity building activities across the country by joining hands with various Universities and various State Government bodies to promote safe ecology.

Your company sponsored many scientific national and International conferences to promote safe science as part of CSR.

**Risk Management Policy**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.

**Loans, Guarantees or Investments made Under Section 186 of The Companies Act, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.



**Contracts or Arrangements made with Related Parties**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

**Annual Return**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure - I which is attached to this Report

**Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors in their Report**

There were no adverse remarks or qualifications made by the Statutory Auditors during the year under review.

**Board Meetings**

The Board met seven (7) times during the FY 2017-18 viz. May 31, 2017, June 30, 2017, September 05, 2017, November 15, 2017, December 15, 2017, January 10, 2018 and March 11 2018

**Directors Responsibility Statement**

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors' hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**Deposits**

The Company has neither accepted nor renewed any deposits during the year under review

**Directors**

The Board of Directors comprises of two Directors including Managing Director and one non-executive independent Director as on March 31 2018.

During the Year under review one Non-executive Independent Director and one Additional Director i.e. Dr. S. Raghuvardhan Reddy and Dr. P.Chandrasekhara Rao have completed their tenure on the day of 21st Annual General Meeting i.e. 28th September, 2017. Also Dr. J.C. Tarafdar, Non-executive Independent

Director and Dr. P. Bhagvanth Rao, Additional Director have submitted resignation on 30/06/2017 and the same accepted by the Board of Directors of the Company. During the year under review Shri Ajit Vaid inducted as Additional Director on 15th November, 2017 and shall hold office up to the conclusion of 22nd Annual General Meeting of the Company.

#### **Declaration of Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **Audit Committee**

As on 31st March, 2018 the Audit Committee comprised of Shri K. Yadagiri Rao (Chairman), Shri Ajit Vaid, Additional Director. Company secretary is the Secretary of the committee. The CEO for operations, Head (Finance & Accounts), internal auditors/ statutory auditors and other executives to participate in the meetings by invitation. During the year, four meetings of the committee were held. The committee reviewed financial statements, internal control systems, technical audits relating to process, energy, water, environment etc.

#### **Nomination and Remuneration Committee**

As on 31.03.2018 the Nomination and Remuneration Committee comprising of Shri K. Yadagiri Rao, Director and Shri Ajit Vaid, Additional Director and Dr. MVSS Sairam, Managing Director.

#### **Statutory Auditors**

M/s. P. Murali & Co., Chartered Accountants ((FRN No 0072575) were appointed as Statutory Auditors for a period of 5 years (up to the conclusion of the Annual General Meeting to be held in 2019) in the Annual General Meeting held on 30th September, 2014 However, In terms of Section 139 of the Companies Act, 2013, their appointment shall be placed for ratification at every Annual General Meeting. Accordingly, their appointment (up to the conclusion of the Annual General Meeting to be held in 2017 is placed for ratification in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **Information about Subsidiary/JV/Associate Company:**

The company does not have any Subsidiary, Joint Venture or Associate company to report the financial information

#### **Industrial Relations**

The Company's Industrial Relations continued to be cordial

#### **Material Changes and Commitment Affecting Financial Position of the Company**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' report i.e. July 03, 2018.

**Honors**

Your Directors are pleased to share that the company so far received 121 awards since its inception from various national / International bodies including two Presidential national awards.

**Cost Audit**

Not applicable to our company.

**Acknowledgments**

The Directors wish to place on record their appreciation for the co-operation and assistance extended to the company by Andhra Bank, State Bank of India, DSIR, World Bank & ICICI Bank Limited, Regional Research Labs (collaborators), DSIR, CSIR DBT IARI, & ICAR Officials, eminent scientists / personalities, who visited company's R & D Center, various state owned Agricultural Universities and company's valued customers and corporate clients, marketing associates, & distributors, technical team, staff members, suppliers, Government recognizing agencies, APEDA recognized Organic Certification agencies, both State & Central Government officials, scientists from academic Institutes nationally & Internationally etc,. The Directors also wish to thank all the employees of the company for their active participation and their co-operation.

**For and on behalf of the Board  
PRATHISTA INDUSTRIES LIMITED**

**Dr. M V S S Sairam  
Managing Director  
DIN 00526725**

**Shri K. Yadagiri Rao  
Director  
DIN 07059102**

**Place : Secunderabad**

**Date: 22-06-2018**

# Annexure- A to Boards' Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

**CIN: U29150TG1996PLC025278** Registration Date : 23/09/1996

- (i) Name of the Company: **PRATHISTA INDUSTRIES LIMITED**
- (ii) Category / Sub-Category of the Company: **Company Limited by Shares**
- (iii) Address of the Registered office and contact details:  
**Survey No.273-274**  
**S.Lingotam (Village),**  
**Choutuppal (Mandal) Yadadri Bhongir,**  
**Telangana**  
**Phone : 040-27974989 Fax No. 040-27976650**
- (iv) Whether listed company : **No**
- (v) ( Name, Address and Contact details of Registrar and Transfer Agent, if any: **NA**

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

The unique fermentation methodologies adopted by Prathista manufacturing facility is based on plant based Carbohydrates and proteins, which has enough flexibility to produce multiple products after process is completed but starting point will be Human Nutritional products of Pharma grade only. It is company prerogative that, the products are segmented based on company business model which keep changing based on market trend.

S.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Plant/ Crop based carbohydrates/proteins based Clean label, Natural, Non-GMO "Human Nutritional Food Ingredients and Chelated & Pharma Products	10617	12.32
2	Plant/ Crop based carbohydrates/proteins based Clean label, Natural, Non-GMO "Nutritional Livestock Supplements, Feed Ingredients and Chelated products"	10809	54.37
3	Plant/ Crop based carbohydrates/proteins based Clean label, Natural, Non-GMO "Nutritional Eco-Friendly Agriculture Inputs and Chelated products under total crop management"	20129	28.76

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NA**

S.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
		NA			

**IV. 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				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	-	7170950	7170950	75.50	-	8165643	8165643	85.97	9.48
(b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		7265743	7265743	76.49	-	8165743	8165743	85.97	9.48
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter = (A) (1) + (A) (2)	-	7265743	7265743	76.49	-	8165643	8165643	85.97	9.48

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
I) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non- Institutions</b>									
a) Bodies Corp									
I. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) individuals									
I. Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	2232500	2232500	23.49	-	1332600	1332600	14.03	(-)9.48
(C) Others (Specify) :									
<b>Sub-Total (B)(2)</b>	-	2232500	2232500	23.49	-	1332600	1332600	14.03	(-)9.48
<b>Total Public Shareholding = (B) (1) + (B) (2)</b>	-	2232500	2232500	23.49	-	1332600	1332600	14.03	(-)9.48
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	9498243	9498243	100	-	9498243	9498243	100	

**(ii) Shareholding of Promoters:**

S. No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change 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	% of Shares Pledged / encumbered to total shares	
1	Machiraju Venkata Satya Sarweswara Sairam	7265643	76.49	-	8165643	85.97	30.00	9.48
2	Manduva Pranitha	100	0.01	-	-	-	-	
<b>Total</b>		7265643	76.49	-	8165643	85.97	30.00	9.48



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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7265743	76.49	8165643	85.97
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			9,00,000 Shares shares.	
	At the End of the year			8165643	85.97

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

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Machiraju Vaishnavi	2232100	23.49	1332100	14.02

**(v) Shareholding of Directors and Key Managerial Personnel:**

	For Each of the Directors and KMP	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
	Machiraju Venkata Satya Sarweswara Sairam	7265643	76.49	8165643	85.97
	K. Yadagiri Rao	-	-	100	0.025
	Ajit Vaid	-	-	100	0.025
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	-	-	8165843	85.97

**V. INDEBTEDNESS: (Rs. In Lakh)**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3028.04	150.00		3178.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3028.04	150.00	-	3178.04
<b>Change in Indebtedness during the financial year</b>				
Addition	466.47	139.00	-	605.47
Reduction	-	289.00	-	289.00
<b>Net Change</b>	466.47	150.00	-	616.47
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3494.51	-	-	3494.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3494.51	-	-	3494.51

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager (Rs. In Lakh)**

S.No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MVSS Sairam MD	K. Yadagir Rao		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	123.49	3.85		127.34
(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	-			-
<b>Total (A)</b>		<b>123.49</b>	<b>3.85</b>		<b>127.34</b>
<b>Ceiling as per the Act</b>					

**B. Remuneration to other Directors: (in Rs)**

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		S. Raghu Vardhan Reddy	M.L. Gupta	P. Chandra Sekhara Rao	Ajit Vaid	Bhagva nth Rao	
1.	<b>Independent Directors</b> Fee for attending board / committee meetings	50000	50000	30000	50000	10000	190000

	<b>Commission</b>	-	-	-	-	-	-
	<b>Others, Please Specify</b>	-	-	-	-	-	-
<b>Total (1)</b>		<b>50000</b>	<b>50000</b>	<b>30000</b>	<b>50000</b>	<b>10000</b>	<b>190000</b>
<b>2</b>	<b>Other Non-Executive Directors</b> Fee for attending board / committee meetings	-	-	-	-	-	-
	<b>Commission</b>	-	-	-	-	-	-
	<b>Others, Please Specify</b>	-	-	-	-	-	-
<b>Total (2)</b>		-	-	-	-	-	-
<b>Total (B) = (1)+(2)</b>		<b>50000</b>	<b>50000</b>	<b>30000</b>	<b>50000</b>	<b>10000</b>	<b>190000</b>
<b>Total Managerial Remuneration</b>							
<b>Overall Ceiling as per the Act</b>							

**C. Remuneration to other Directors key managerial personnel other than**

**MD/MANAGER/WTD:**

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	900000	-	900000
(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				
<b>Total (C)</b>		-	900000	-	900000

**VII. 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)
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT -</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the board  
**PRATHISTA INDUSTRIES LIMITED**

**Dr. M V S S Sairam**  
Managing Director  
DIN 00526725

**K. Yadagiri Rao**  
Director  
DIN 07059102

**Place : Secunderabad**  
**Date : 22-06-2018**



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Prathista Industries Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Prathista Industries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

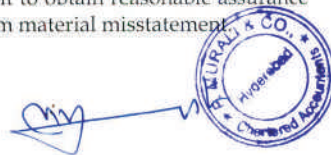
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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







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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2018, its profit and its cash flows for the year ended on that date.

#### 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.
2. As required by section 143(3) of the Act, we further report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;






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- d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
- g) With respect to 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 has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2018 on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2018.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S

  
M.V. Joshi  
Partner  
Membership No. 024784



Place: Hyderabad  
Date: 22<sup>nd</sup> June 2018



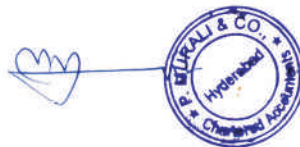
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**Annexure A to the Auditors Report**

**Annexure referred to in Independent Auditors Report to the Members of Prathista Industries Limited on the financial statements for the year ended 31<sup>st</sup> March 2018, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable interval by the management during the year. There were no discrepancies noticed on physical verification of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the companies Act 2013 in respect of loan and investment made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The company manufactures the organic manures and fertilizers which were exempted from Cost record rules 2014 & Cost audit report rules 2014. Therefore, the provision of the order made by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, 2013 is not applicable.





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- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues including Provident fund, Employees state insurance, income tax, service tax, Excise duty, custom duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were no undisputed amounts payable in respect of Provident fund, Employees state insurance, service tax, Excise duty, custom duty and other material statutory dues in arrears as at 31<sup>st</sup> March 2018 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Provident fund, Employees state insurance, income tax, service tax, Excise duty, custom duty and other material statutory dues, which have not been deposited on account of any disputes.
- viii. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or banks or governments or dues to debenture holder as at the balance sheet date except the loan taken from world Bank spread loan taken from ICICI Bank Ltd. The installments amounting to be payable during the year was Rs. 2.57 crores which was not paid by 31<sup>st</sup> March 2018. However the same has been paid by 11<sup>th</sup> June 2018.
- ix. The Company has not raised any moneys by way of initial public officer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.





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- xiii. The company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the financial statements as required under Accounting Standard - 18 and related parties disclosure specified under section 133 of the Act, read with Rule 7 of the companies (accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No 0072575

  
M.V. Joshi

Partner

Membership No. 024884



Place: Hyderabad

Date: 22<sup>nd</sup> June 2018





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#### Annexure B to the Independent Auditor's Report

#### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of **Prathista Industries Limited** ('the company') as on 31<sup>st</sup> march 2018 in conjunction with our audit of financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 risk of material misstatement of the financial statements, whether due to fraud or error.





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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control 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 these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, 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 principles, and that receipts and expenditures of the company are being made only in accordance with authorization 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 Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation 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.






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#### Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Murali & Co.,  
Chartered Accountants  
Firm Registration No. 002605

  
M.V. Joshi  
Partner  
Membership No. 024784



Place: Hyderabad  
Date: 22<sup>nd</sup> June 2018



Form No. MGT-8

[Pursuant to section 92(2) of the Companies Act, 2013 and rule 11(2) of Companies  
(Management and Administration) Rules, 2014]

**CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE**

**Corporate Identity Number (CIN):** U29150TG1996PLC025278

**Authorized Capital:** Rs. 10,10,00,000

**Paid up Capital :** Rs. 9,49,82,430

To

The Members

**PRATHISTA INDUSTRIES LIMITED**

**CIN: U29150TG1996PLC025278**

Registered Office: Sy.No: 273 -274,

S.Lingotam, Choutuppal,

Yadadri Bhongir,

Nalgonda - 508252


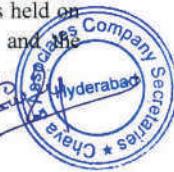
Telangana.

I have examined the registers, records, books and papers of **PRATHISTA INDUSTRIES LIMITED** (the "**Company**") as required to be maintained under the Companies Act, 2013 (the "**Act**") and the rules made there under for the financial year ended on 31st March, 2018. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Board of Directors duly met 7 (seven) times on 31/05/2017, 30/06/2017, 05/09/2017, 15/11/2017, 15/12/2017, 10/01/2018 and 11/03/2018 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed passed in the Minutes Book maintained for the purpose.
4. The Company has not closed its register of members during the financial year under review.

**Not Applicable**

5. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2017 was held on 28<sup>th</sup> September, 2017 after giving notice to the members of the Company and the



resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.

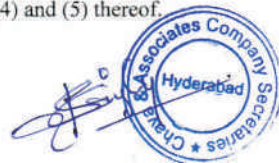
6. One Extraordinary General Meeting of the Company was held on 8<sup>th</sup> of February 2018 for the increase in Authorised Share Capital independently by the Company.
7. The Company has not advanced any loans to its Directors or persons or firms or companies referred under Section 185 of the 2013 Act.
8. The Company has not entered into any contracts falling within the purview of Section 188 of the Act.
9. The Company has made necessary entries in Statutory Registers required to be maintained under the Act.
10. Keeping in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act the Company has not issued any Duplicate Share Certificates, during the year under review.

**Not Applicable**

11. The Company has not issued any duplicate share certificate during the financial year.
12. The Company:
  - a. Was not required to deliver the share certificate(s) as there were no allotments / transfers/ transmission of shares during the financial year.
  - b. Was not required to deposit any amount in a separate Bank Account as no dividend declared during the financial year.
  - c. Was not required to post warrants to any member of the Company as no dividend declared during the financial year.
  - d. Was not required to transfer the amounts in unpaid dividend account, application money due to refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such amounts outstanding during the financial year.
13. Declaration/ payment of dividend; transfer of unpaid/ unclaimed dividend/other amounts as applicable to the Investor Education and Protection Fund in accordance with section 125 of the Act.

**Not Applicable**

14. The Company has re-appointed the Managing Director during the financial year.
15. The Company has signed the audited Financial Statement as per the provisions of Section 134 of the Act and report of Directors is as per Sub - Sections (3), (4) and (5) thereof.



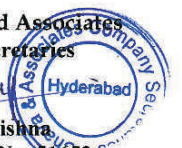



16. There was appointment of Directors during the year under review.
17. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
18. The ratification of appointment of Statutory Auditors was carried out in accordance with provisions of section 139 of the Act and there was no reappointment/ filling up casual vacancies of auditors.
19. The Company has not invited / accepted any deposits during the financial year.

**Not Applicable**

20. The amount borrowed by the Company from banks and others during the financial year ending 31.03.2017 are within the borrowing limits of the Company and necessary resolution as per section 180 of the 2013.
21. The Company has filed necessary forms for creation/ modification/ satisfaction of charges in that respect, wherever applicable.
22. The Company has not granted any loans and investments or guarantees given or provided any securities to other bodies corporate or persons falling under the provisions of section 186 of the Act.
23. The Company has altered the provisions of the Memorandum of Association of the Company, since the Company has increased its Authorised Capital from Rs. 95,000,000 to Rs.10,10,00,000 independently during the Financial Year under review.
24. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
25. The Company has not received any money as security from its employees during the financial year.

for Chava and Associates  
Company Secretaries



Chava Sai Krishna  
Membership No. 51652  
Certificate of Practice No. 18854

Hyderabad, April 9, 2018

**ANNEXURE A**

**Registers as maintained by the Company**

Sl. No.	Name of the Register
1.	Register Of Renewed And Duplicate Share Certificate
2.	Minutes of all meetings of Board of Directors
3.	Minutes of all meetings of General Meetings
4.	Register of Directors & Key Managerial Personnel
5.	Register of Contract or Arrangements in which Directors are interested
6.	Register of loans, guarantee, security and acquisition made by the company
7.	Register of Transfer and Transmission
8.	Register of Board Meeting Attendance
9.	Register of General Meeting Attendance
10.	Register Of Members
11.	Register of Deposit
12.	Register of investments not held in its own name by the company
13.	Register of contracts with related party and contracts and Bodies etc. in which directors are interested
14.	Register of details of securities held by Directors and Key Management Personnel
15.	Register of debenture holders/ other securities holders




**ANNEXURE – B**

**1. Returns/Documents/Forms filed as filed by the Company with the Registrar of Companies, during the financial year ended March 31<sup>st</sup>, 2018.**

S. No.	Form No. /Return	Section	Description	Date of Filing
1.	Form AOC-4 (XBRL)	137	Balance sheet, Profit and Loss account for the Financial Year 2016-17	11/12/2017
2.	Form MGT-7	92	Annual Return for the Financial Year 2016-17	23/11/2017
3.	Form DIR-12	7(1)(c), 168 & 170(2)	Cessation from Directorship of 1. Jagdish Chandere Tarafdar (Din: 06990924), 2. Gupta Lal Mohan (Din:01906909), 3. Bhagvanth Rao Mamidpalli (Din : 00117862 )	10/07/2017
4.	Form DIR-12	7(1)(c), 168 & 170(2)	Appointment of Gupta Lal Mohan (Din: 01906909) as Additional Director	16/09/2017
5.	Form DIR-12	7(1)(c), 168 & 170(2)	Appointment of Yadagiri Rao Karangula (Din: 07059102) as Additional Director	28/09/2017
6.	Form DIR-12	7(1)(c), 168 & 170(2)	<i>Change in designation</i> from Additional director to Director of : 1. Gupta Lal Mohan (Din: 01906909), 2. Yadagiri Rao Karangula (Din: 07059102) and <i>Cessation of</i> : 1. Raghu Vardhan Reddy Suravaram (Din:01992206), 2. Chandrasekhar Rao Palli (Din:07612618).	05/10/2017
7.	Form MGT-14	94(1),11 7(1)	Resolution was passed by requisite majority to consider and approve the audited Financials of the Company for the Financial Year ending 31st March 2017.	12/10/2017
8.	Form DIR-12	7(1)(c), 168 & 170(2)	Appointment of Ajit Vaid (Din: 08071563) as Director	21/02/2018
9.	Form DIR-12	7(1)(c), 168 & 170(2)	<i>Cessation of</i> Gupta Lal Mohan (Din: 01906909).	13/03/2018
10.	Form SH-7	64(1)	Increase in Share capital from Rs. 95,000,000.00 to Rs.101,000,000.00 independently by the Company	27/02/2018
11.	Form MGT-14	94(1),11 7(1)	Ordinary Resolution was passed at the Extraordinary General Meeting held on 08/02/2018 for Increase in Authorised Share Capital independently by the Company and	25/02/2018

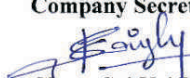


			Alteration of MOA.	
12.	Form CHG-1	77,78,79,384	Creation of charge by the Company in favour of Andhra Bank Limited as the Lead Bank and State Bank of Hyderabad for Rs 40,000,000/- (Rupees Four Crore) at the Board Meeting of the Company held on 20/07/2017	21/04/2017
13.	Form CHG-4	82(1)	Satisfaction of Charge ID :90258417 on 26 of May 2017 for a loan of Rs.70,00,000 against the Loan agreement dated 06/30/1998.	02/06/2017
14.	Form CHG-1	77,78,79,384	Modification of charge by the Company in favour of Andhra Bank Limited for Rs 100,000,000/-(Rupees Ten Crore) the date of creation of charge being 04-01-2017 was modified on 04-19-2017	27/09/2017
15.	Form CHG-1-	77,78,79,384	Modification of charge by the Company in favour of Andhra Bank Limited for Rs 360,000,000/-(Rupees Thirty Six Crore) charge being created on 21-01-2013 and modified on 27-09-2017.	24/10/2017

**2. Forms and Returns as filed by the Company with the Register of Companies, Andhra Pradesh and Telangana and other authorities, during the financial year ending on March 31<sup>st</sup>, 2018.**

-N I L-

for Chava and Associates  
Company Secretaries

  
Chava Sai Krishna  
Membership No. 51652  
Certificate of Practice No. 18854



Hyderabad, April 9, 2018



**PRATHISTA INDUSTRIES LIMITED**

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

**BALANCE SHEET AS AT 31st MARCH 2018**

Particulars	Note No.	AS AT 31-03-2018 Rs.	AS AT 31-03-2017 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	94,982,430	94,982,430
(b) Reserves and Surplus	3	431,982,937	392,177,906
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	140,954,761	125,804,156
(b) Deferred Tax Liabilities (Net)	5	12,967,660	15,867,258
(c) Other Long Term Liabilities	6	337,106,872	231,280,923
(d) Long Term Provisions	7	18,561,152	16,063,570
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	8	207,168,765	179,130,219
(b) Trade Payables	9	251,359,752	180,172,027
(c) Other Current Liabilities	10	92,806,779	88,230,816
(d) Short-Term Provisions	11	27,468,538	20,984,457
<b>Total</b>		<b>1,615,359,646</b>	<b>1,344,693,763</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
i) Tangible assets & Intangible assets	12	652,501,732	575,594,145
ii) Capital work in progress		27,754,253	34,932,561
(b) Other Non-Current Assets	13	64,611,000	64,611,000
<b>(2) Current assets</b>			
(a) Inventories	14	434,630,450	408,549,900
(b) Trade receivables	15	402,813,487	250,131,184
(c) Cash and Bank Balances	16	7,530,321	1,651,456
(d) Short-Term Loans and Advances	17	7,339,119	6,840,765
(e) Other Current assets	18	18,179,284	2,382,752
<b>Total</b>		<b>1,615,359,646</b>	<b>1,344,693,763</b>

Significant of Accounting Policies. The accompanying Notes are an integral part of the Financial Statement.

As per our report of even date

For P.Murali & Co.,  
Chartered Accountants  
Firm Regn. No: 007257S**M.V. Joshi**  
Partner  
Membership. No 024784Place : Hyderabad  
Date : 22-06-2018For and on behalf of the Board of  
Prathista Industries Ltd.,**MVSS Sairam**  
Managing Director  
DIN: 00526725**K. Yadagiri Rao**  
Director  
DIN: 07059102**M. Lakshmi Narayana**  
Company Secretary  
Membership No. 020143

**PRATHISTA INDUSTRIES LIMITED**

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	Note No.	Period Ending 31-03-2018 Rs.	Period Ending 31-03-2017 Rs.
I. Revenue from Operations	19	2,015,626,916	1,948,702,869
II. Other Income	20	3,093,810	1,641,469
<b>Total Revenue (I +II)</b>		<b>2,018,720,726</b>	<b>1,950,344,338</b>
<b>III. Expenses:</b>			
Cost of Materials consumed	21	1,631,808,197	1,614,015,484
Increase in Inventory (Finished goods )	22	(28,589,600)	(82,747,050)
Employee Benefit expenses	23	73,398,740	73,187,264
Other Operating Expenses	24	61,537,580	53,533,939
Administrative and Selling Expenses	25	77,352,480	86,597,591
Net Expenditure on Scientific Research	26	60,947,981	74,779,304
Finance Cost	27	55,795,759	49,614,955
Depreciation and amortization expense	12	39,619,565	39,488,207
<b>Total Expenses</b>		<b>1,971,870,702</b>	<b>1,908,469,694</b>
IV. Profit before Tax		46,850,024	41,874,644
V. Profit (Loss) on sale of Fixed Assets		(492,909)	(178,622)
VI. Profit Before Tax after Profit/Loss on sale of fixed assets		46,357,115	41,696,022
VII. Tax expense :			
(1) Current tax		9,451,683	8,364,345
(2) Deferred tax		(2,899,598)	(6,233,894)
VII. Profit(Loss) for the periods(VII - V)		<b>39,805,030</b>	<b>39,565,571</b>
IX. Earning per equity share: (Refer Note No.33)			
(1) Basic (Annualised)		4.19	4.17
(2) Diluted		4.19	4.17

Summary of Significant accounting policies

The accompanying Notes are an integral part of the Financial statement.

As per our report of even date

For and on behalf of the Board of  
Prathista Industries LtdFor P.Murali & Co.,  
Chartered Accountants  
Firm Regn. No: 007257SMVSS Sairam  
Managing Director  
DIN 00526725K. Yadagiri Rao  
Director  
DIN: 07059102M.V Joshi  
Partner  
Membership. No 024784M.Lakshmi Narayana  
Company secretary.  
Membership. No 20143Place : Hyderabad  
Date : 22-06-2018



**PRATHISTA INDUSTRIES LIMITED**

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

**Cash Flow Statement for the year ended on 31st March 2018**

Particulars	Year Ended	
	31-Mar-2018	31-Mar-2017
	Rs.	Rs.
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extra Ordinary Items	46,850,024	41,874,644
Adjustment for:		-
Depreciation	44,153,910	44,011,504
Loss on Sale of Asset	(492,909)	(178,622)
Interest Paid	55,795,759	49,614,955
Interest Received	(281,058)	(491,666)
<b>Operating Profit before working capital Change</b>	<b>146,025,726</b>	<b>134,830,815</b>
Short term borrowings	28,038,546	7,711,718
Short term provisions	6,484,081	10,943,156
Trade and other payables	71,187,725	57,423,637
Other payables	4,575,963	28,715,480
Inventories	(26,080,550)	(92,966,975)
Trade Receivables	(152,682,303)	(86,504,410)
Loans and Advances	(498,354)	1,894,466
Other Assets	(15,796,532)	(1,385,810)
<b>Cash Generated from Operations</b>	<b>61,254,302</b>	<b>60,662,077</b>
Income Tax paid	(9,451,683)	(8,364,345)
Dividend and Dividend Tax		
<b>Cash generated from operating activities 'A'</b>	<b>51,802,619</b>	<b>52,297,732</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) / Sale of Fixed Assets	(122,059,406)	(78,517,017)
Capital Work in process	7,178,308	55,514,484
(Purchase) / Sale of Investments	-	4,480,000
Interest Received	281,058	491,666
Sale of Fixed Assets	997,909	278,622
Long Term Provisions	2,497,582	(675,741)
<b>Net Cash from Investing Activities (B)</b>	<b>(111,104,549)</b>	<b>(18,427,986)</b>
<b>C) Cash flows from Financing Activities</b>		
Long Term Borrowings	15,150,605	(18,643,376)
Other Long Term Liabilities	105,825,949	29,651,775
Interest Paid	(55,795,759)	(49,614,955)
<b>Net Cash flow from Financing Activities "C"</b>	<b>65,180,795</b>	<b>(38,606,556)</b>
<b>D) Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(5,878,865)</b>	<b>(4,736,810)</b>
<b>Cash and Cash Equivalents at the beginning</b>	<b>1,651,456</b>	<b>6,388,266</b>
<b>Cash and Cash Equivalents at the closing</b>	<b>7,530,321</b>	<b>1,651,456</b>

For P.Murali & Co.,  
Chartered Accountants  
Firm Regn. No: 0072573

**M.V Joshi**  
Partner  
Membership. No 024784

Place : Hyderabad  
Date :

For and on behalf of the Board of  
Prathista Industries Ltd

**MVSS Sairam**  
Managing Director  
DIN 00526725

**K. Yadagiri Rao**  
Director  
DIN: 07059102

**M.Lakshmi Narayana**  
Company secretary.  
Membership. No 20143

**Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2018.****1. Corporate information :**

Prathista Industries Limited was incorporated on 23rd september 1996 with the Registrar of Companies, Hyderabad. Prathista Industries Limited is one of the Asia's largest industrial fermentation establishment in the business of manufacturing and marketing of ECO Friendly Bio Technology products Viz., Bulk drugs, food preservatives and additives, organic agri inputs, Bio fertilizers, animal health care (Cattle/poultry feed supplements) and other value added products based on carbohydrates.

**a) General:**

- (i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with relevant rules made issued there under till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

**(ii) Use of Estimates**

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

**b) Inventories**

Raw materials, work in progress and finished goods are valued at the lower of the cost or net realizable value. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

**c) Cash and Cash Equivalents**

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **d) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **e) Tangible and Intangible Assets**

##### **i) Tangible Fixed Assets**

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

##### **ii) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

Product development Expenditure is written off over a period of 10 years. Products which are considered as redundant due to Technological advancement would be written off immediately.

##### **iii) Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

##### **iv) Depreciation and Amortization:**

- A. Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013.
- B. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.

##### **e) Revenue Recognition:**

The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.

Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Sales are shown at net of sales tax / services tax. These taxes are recognized consistently as a liability.

Interest income is recognized using the time proportion method, based on the transactional Interest rates.

Commission income is due on rendering of services.

**g) Investments**

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

**h) Gratuity:**

The Company has made a provision for gratuity to its employees. Gratuity is a defined benefit retirement plan covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

**i) Research and Development**

Capital expenditure on scientific research is included in the Schedule of Fixed Assets. Revenue expenditure relating to Research Phase is charged to Profit and Loss Account.

**j) Related Party Disclosures :**

The Company furnishes the details of Related Party Disclosures as required by AS-18 and other relevant provision of companies Act, 2013.

**k) Earnings per Share**

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**l) Taxes on Income**

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

**m) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a charge in the estimate of recoverable amount.

**n) Provisions, Contingent Liabilities and Contingent Assets**

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.



**PRATHISTA INDUSTRIES LIMITED**

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

**NOTE NO.2: SHARE CAPITAL**

S. No.	Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
<b>a</b>	<b>Equity Share Capital</b>		
	(a) Authorised		
	(No. of Shares 1,01,00,000 - Current Year)	101,000,000	95,000,000
	(No. of Shares 95,00,000 - Previous Year)		
	(b) Issued		
	( No. of Shares : 9498243 - Current Year)	94,982,430	94,982,430
	( No. of Shares : 9498243 - Previous Year)		
	(c) Subscribed & Fully Paid Up		
	(No. of Shares : 9498243 - Current Year)	94,982,430	94,982,430
	(No. of Shares : 9498243 - Previous Year)		
	(d) Subscribed & not fully paid up		
	(e) Par Value per share Rs. 10/-		
	<b>Total Equity Share capital</b>	<b>94,982,430</b>	<b>94,982,430</b>
<b>b</b>	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>	<b>No.of Shares</b>	<b>No.of Shares</b>
	<b>Equity Shares of Rs.10 each, Fully paid up</b>		
	At the Beginning	9,498,243	9,498,243
	Issued during the year - Bonus Issue		
	Issued during the year - Cash Issue	-	-
	Forfeited / Bought Back during the year		
		<b>9,498,243</b>	<b>9,498,243</b>
<b>c</b>	<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	<b>% of Share Holding</b>
	<b>MVSS Sairam - No.of Shares (C.Y) 7265643</b>		
	<b>No.of Shares (P.Y) 7265643</b>	<b>76.49</b>	<b>76.49</b>
	<b>K. Vaishnavi - No.of Shares (C.Y) 2232100</b>		
	<b>No.of Shares (P.Y) 2232100</b>	<b>23.50</b>	<b>23.50</b>

**NOTE NO. 3 : RESERVES AND SURPLUS**

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31-03-2018</b>	<b>As at 31-03-2017</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>I RESERVES AND SURPLUS</b>			
a) Securities Premium		148,753,668	148,753,668
Add : Additions during the period		-	-
		<b>148,753,668</b>	<b>148,753,668</b>
b) Capital Reserve		-	-
Add : Additions during the period		-	-
		-	-
b) General Reserve			
Opening Balance - General Reserve		5,362,246	5,362,246
Add : Transfer from Surplus			
Less : Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act, 2013		-	-
		<b>5,362,246</b>	<b>5,362,246</b>
c) Surplus :			
Opening Balance - Profit and Loss Account		236,061,993	196,496,422
Add : Transfer from Profit & Loss Account		39,805,030	39,565,571
Less : Proposed Dividend			-
Less : Corporate Dividend Tax			-
Less : Transfer to General reserve			-
		<b>275,867,023</b>	<b>236,061,993</b>
d) Subsidy		2,000,000	2,000,000
II. A Reserve specifically represented by earmarked Investments			
<b>Total Reserves and Surplus</b>		<b>431,982,937</b>	<b>392,177,906</b>

**NOTE NO. 4 : LONG TERM BORROWINGS**

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31-03-2018</b>	<b>As at 31-03-2017</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>I. Long Term borrowings</b>			
a) Term Loans			
Secured			
I) Andhra Bank - Term Loan I	26,60,386		
Less : Current Maturities (Note 10)	26,60,386	0	4,274,454
ii) Andhra Bank - Term Loan II	8,22,85,800		
Less : Current Maturities (Note 10)	<u>2,49,53,638</u>	57,332,162	88,516,572
iii) Andhra Bank - Term Loan III		28,278,205	-
iv) State Bank of India		28,624,306	
(Secured by all immovable properties of the the company situated at factory premises, Choutuppal (M), Nalgonda - 508252.		<b>114,234,673</b>	<b>92,791,026</b>
<b>Unsecured</b>			
(i) World Bank spread loan from ICICI Bank Ltd.		25,700,000	28,900,000
(ii) Magma Finance Limited		-	-
(iii) Religare Finvest Limited		-	-
		<b>25,700,000</b>	<b>28,900,000</b>
<b>b) Vehicle Loans</b>			
HDFC Bank		433,057	2,876,099
(Secured by way of Hypothecation of the underlying Asset)			
<b>c) Loans and advances from related parties and others</b>			
Unsecured		-	-
<b>d) Deferred Payment Liabilities</b>			
Sales Tax Deferment		587,031	1,237,031
<b>Total Long Term Borrowings</b>		<b>140,954,761</b>	<b>125,804,156</b>

**NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)**

S. NO.	Particulars	As at	As at
		31-03-2018	31-03-2017
		Rs.	Rs.
I.	Opening Deferred Tax Liability	20,327,336	26,561,230
	Add :		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	(1,564,854)	(6,223,894)
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	-
	<b>Gross Deferred Tax Asset</b>	<b>18,762,483</b>	<b>20,327,336</b>
	Opening Deferred Tax Asset	4,460,078	4,460,078
	Deferred Tax Asset for the year	1,334,744	-
	<b>Gross Deferred Tax Asset</b>	<b>5,794,822</b>	<b>4,460,078</b>
	<b>Deferred Tax Liability / (Asset) - Net</b>	<b>12,967,660</b>	<b>15,867,258</b>

**NOTE NO. 6 : OTHER LONG TERM LIABILITIES**

S. NO.	Particulars	As at	As at
		31-03-2018	31-03-2017
		Rs.	Rs.
I.	a) Creditor for capital expenditure	337,106,872	231,280,923
	<b>Total Trade Payable</b>	<b>337,106,872</b>	<b>231,280,923</b>

**NOTE NO. 7 : LONG TERM PROVISIONS**

S. NO.	Particulars	As at	As at
		31-03-2018	31-03-2017
		Rs.	Rs.
I.	a) Provisions for employee benefits :-		
	Provision for Gratuity	12,398,096	11,597,712
	Provision for Leave Encashment	6,163,056	4,465,858
	<b>Total Long Term Provisions</b>	<b>18,561,152</b>	<b>16,063,570</b>

**NOTE NO. 8 : SHORT TERM BORROWINGS**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
I.	<b>Short term borrowings</b>		
	a) Cash Credits an Working Capital Demand Loan from Banks		
	- Secured		
	Cash credit taken from Andhra Bank	168,206,888	172,491,279
	Cash credit taken from SBI	38,961,877	6,638,940
	(The Company has taken cash credit from Andhra Bank, R.P.Road, and SBI, Commercial branch, Secunderabad which were issued by Hypothecation of Raw Materials, Consumables, Finished Goods and book debts of the Company)		
	<b>Total Short Term Borrowings</b>	<b>207,168,765</b>	<b>179,130,219</b>

**NOTE NO. 9 : TRADE PAYABLES**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
I.	a) Trade Payable	251,359,752	180,172,027
	<b>Total Trade Payables</b>	<b>251,359,752</b>	<b>180,172,027</b>

**NOTE NO. 10 : OTHER CURRENT LIABILITIES**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
I.	a) Current maturities of long term debt		
	(i) Andhra Bank - Term Loan I	2,660,386	3,000,000
	(ii) Andhra Bank - Term Loan II	24,953,638	24,953,638
		<b>27,614,024</b>	<b>27,953,638</b>
	b) Other Payables		
	Creditors for Expenses	64,802,755	60,187,178
	Outstanding Liabilities	-	-
	Security Deposits	390,000	90,000
		<b>65,192,755</b>	<b>60,277,178</b>
	<b>Total Other Current Liabilities</b>	<b>92,806,779</b>	<b>88,230,816</b>



**NOTE NO. 11 : SHORT TERM PROVISIONS**

<b>S. NO.</b>	<b>Particulars</b>	<b>As at</b>	<b>As at</b>
		<b>31-03-2018</b>	<b>31-03-2017</b>
		<b>Rs.</b>	<b>Rs.</b>
I.	a) Provisions for employee benefits		
	PF Payable	2,228,668	4,809,963
	ESI Payable	629,118	1,015,425
		<b>2,857,786</b>	<b>5,825,388</b>
	b) Others		
	Provision for Income Tax	24,610,752	15,159,069
	c) Proposed Dividend	-	-
	Dividend Tax	-	-
		<b>24,610,752</b>	<b>15,159,069</b>
	<b>Total Short Term Provisions</b>	<b>27,468,538</b>	<b>20,984,457</b>



**NOTE NO. 12 : Tangible & Intangible Assets As at 31-03-2018.**

Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Block as at 01-04-2017	Additions during the period	Sales during the period	Total Block as 31-3-2018	Upto 31-3-2017	Transfer to Retained Earnings	For the Period	accumulated depreciation on sale of assets	Total as at 31-3-2018	As at 31-3-2018	As at 31-3-2017
Land	3,437,396	-	-	3,437,396	-	-	-	-	-	3,437,396	3,437,396
Buildings & Auxiliaries	146,501,960	4,550,000	-	151,051,960	21,206,036	-	4,540,277	-	25,746,313	125,305,647	125,295,924
Storage Tanks	15,708,674	-	-	15,708,674	5,907,254	-	664,658	-	6,571,912	9,136,762	9,801,420
Reactors	188,056,409	-	-	188,056,409	34,082,420	-	8,849,055	-	42,931,475	145,124,934	153,973,989
Plant & Machinery	302,793,065	83,146,597	-	385,939,662	110,220,963	-	17,822,190	-	128,043,153	257,896,509	192,572,102
Electrical Installation	16,281,750	-	-	16,281,750	10,247,976	-	680,605	-	10,928,581	5,353,169	6,033,774
Lab Equipment	5,164,733	49,862	-	5,214,595	2,111,351	-	530,190	-	2,641,541	2,573,054	3,053,382
Office Equipment	7,220,296	99,545	-	7,319,841	5,415,724	-	593,383	-	6,009,107	1,310,734	1,804,572
Furniture & Fixtures	5,539,357	-	-	5,539,357	3,216,795	-	536,699	-	3,753,494	1,785,863	2,322,562
Vehicles	21,873,327	-	1,686,965	20,176,362	13,491,882	-	2,857,453	699,056	15,650,279	4,526,083	8,381,445
Computers	5,208,016	314,580	-	5,522,596	4,796,093	-	453,717	-	5,249,810	272,786	411,923
Other Miscellaneous Assets	40,850,071	59,522	-	40,909,593	29,510,397	-	2,091,338	-	31,601,735	9,307,858	11,339,674
R & D Division							39,619,565				
R & D Building	31,362,872	3,600,000	-	34,962,872	7,027,361	-	979,889	-	8,007,250	26,955,622	24,335,511
R & D Furniture & Fixtures	3,221,287	-	-	3,221,287	1,890,135	-	290,456	-	2,180,591	1,040,696	1,331,152
R & D Paint & Machinery	71,478,306	30,239,300	-	101,717,606	39,978,987	-	3,264,000	-	43,242,987	58,474,619	31,499,319
Total	846,697,519	122,059,406	1,686,965	985,059,960	289,103,374	-	44,153,910	699,056	332,558,228	652,501,732	575,594,145
Previous Year	781,640,906	9,201,970	3,929,152	786,913,724	206,605,998	-	39,808,251	867,779	245,546,470	541,367,254	575,034,908

## PRATHISTA INDUSTRIES LIMITED

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

### Notes to Financial Statements as on 31st March 2018

#### NOTE NO. 13 : NON-CURRENT INVESTMENTS

S. NO.	Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
I.	Non- Current Assets		
	<b>LONG TERM INVESTMENTS</b>		
	Investment in Equity Instrument		
	<b>a) Quoted</b>		
	Andhra Bank - 1100 Shares held	11,000	11,000
	<b>b) Unquoted</b>		
	Vaishnavi Biotech Ltd - 25,84,000 Shares held	64,600,000	64,600,000
		64,600,000	64,600,000
	<b>Total Non - Current Investments</b>	<b>64,611,000</b>	<b>64,600,000</b>

#### NOTE NO.14: INVENTORIES

S. NO.	Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.
	a) Raw materials	28,201,350	18,844,375
	b) Consumables, Stores and spares	637,350	816,250
	c) Packing Material	45,904,250	57,591,375
	d) Finished & Semi Finished Goods	359,887,500	331,297,900
	<b>Total Inventories</b>	<b>434,630,450</b>	<b>408,549,900</b>

**NOTE NO. 15 : TRADE RECEIVABLES**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
I.	<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
	Unsecured, Considered Good	16,680,613	17,620,829
		16,680,613	17,620,829
	<b>Other Receivables :</b>		
	Unsecured, Considered Good	386,132,874	232,510,355
		386,132,874	232,510,355
	<b>Total Trade Receivables</b>	<b>402,813,487</b>	<b>250,131,184</b>

**NOTE NO.16 : CASH AND BANK BALANCES**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
1.	Cash and cash equivalents :		
	a) Balances with banks :		
	1) Current accounts	4,321,289	32,252
	2) Margin Money	3,090,211	1,516,166
	3) Short Term Deposits with Banks	-	-
	b) Cash on hand	118,821	103,038
	<b>Total Cash and Cash Equivalents</b>	<b>7,530,321</b>	<b>1,651,456</b>

**NOTE NO. 17 : LOANS AND ADVANCES ( CURRENT )**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
I.	<b>Security Deposit</b>		
	Secured, Considered Good	6,770,713	6,638,036
	<b>Sub Total</b>	6,770,713	6,638,036
II	<b>Advances Recoverable in Cash or in kind</b>		
	UnSecured, Considered Good	568,406	202,729
	<b>Sub Total</b>	568,406	202,729
	<b>Total Short Term Loans and Advances</b>	<b>7,339,119</b>	<b>6,840,765</b>

**NOTE NO.18 : OTHER ASSETS (CURRENT)**

S. NO.	Particulars	As at 31-03-2018	As at 31-03-2017
		Rs.	Rs.
.	GST Credit	16,340,009	1,322,718
	TDS Receivable	113,955	49,299
	Others	1,725,320	1,010,735
	<b>Total Other Assets</b>	<b>18,179,284</b>	<b>2,382,752</b>



## PRATHISTA INDUSTRIES LIMITED

Sy.No. 273,274, S. Lingotam (Vill), Choutuppal, Yadadri Bhongir (Dist) Telengana-508 252

**Notes to financial statements for the period ended 31st March 2018**

### NOTE NO. 19 : REVENUE FROM OPERATIONS

S. NO.	Particulars	Period ending 31-03-2018 Rs.	Period ending 31-03-2017 Rs.
I.	Revenue from operations		
	(a) Sale of Products	2,015,626,916	1,948,702,869
	<b>Total Revenue from Operations</b>	<b>2,015,626,916</b>	<b>1,948,702,869</b>

### NOTE NO. 20 : OTHER INCOME

S. NO.	Particulars	Period ending 31-03-2018 Rs.	Period ending 31-03-2017 Rs.
I	a) Interest income	281,058	491,666
	b) Dividend income	-	-
	c) Profit/(Loss) due to Forex Rate Fluctuations	-	-
	d) Other non-operating income(net of expenses directly attributed to such income)	2,812,752	1,149,803
	<b>Total Other Income</b>	<b>3,093,810</b>	<b>1,641,469</b>

### NOTE NO. 21 : COST OF MATERIALS CONSUMED.

S. NO.	Particulars	Period ending 31-03-2018 Rs.	Period ending 31-03-2017 Rs.
I	Opening Raw material	77,252,000	67,032,075
	Add : Purchases	1,629,299,147	1,624,235,409
		<b>1,706,551,147</b>	<b>1,691,267,484</b>
	Less : Closing Raw material	74,742,950	77,252,000
	<b>Total Cost of Raw material consumed</b>	<b>1,631,808,197</b>	<b>1,614,015,484</b>

**NOTE NO. 22 : CHANGE IN INVENTORIES**

S. NO.	Particulars	Period ending 31-03-2018	Period ending 31-03-2017
		Rs.	Rs.
I.	<b>Finished Goods &amp; WIP</b>		
	Inventories at the beginning of the year	331,297,900	248,550,850
	Less : Inventories at the end of the period	359,887,500	331,297,900
	<b>Change in Inventories</b>	<b>(28,589,600)</b>	<b>(82,747,050)</b>

**NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES**

S. NO.	Particulars	Period ending 31-03-2018	Period ending 31-03-2017
		Rs.	Rs.
I	(a) Salaries & Wages	50,607,214	54,449,525
	(b) Contribution to Provident & Other Funds	3,880,462	4,163,520
	(c) Managerial Remuneration	12,348,771	9,949,131
	(d) Leave encashment	2,329,097	565,023
	(e) Gratuity	1,990,464	2,690,830
	(f) Medical Expenses	20,762	236,985
	(g) Bonus/Exgratia a/c	2,221,970	1,132,250
	<b>Total Other Income</b>	<b>73,398,740</b>	<b>73,187,264</b>

**NOTE NO. 24 : OTHER OPERATING EXPENSES**

S. NO.	Particulars	Period ending 31-03-2018	Period ending 31-03-2017
		Rs.	Rs.
I	(a) Power & Fuel	41,826,480	37,009,141
	(b) Rent	1,898,200	4,698,158
	(c) Repairs and maintenance	9,609,587	4,216,938
	(d) Insurance	2,322,063	1,368,726
	(e) Rates & Taxes (excluding Income Tax)	1,562,015	6,048,586
	(f) Others	4,319,235	192,390
	<b>Total Other Expenses</b>	<b>61,537,580</b>	<b>53,533,939</b>

**NOTE NO. 25 : ADMINISTRATIVE AND SELLING EXPENSES**

S. No.	Particulars	Period Ending 31-03-2018	Period Ending 31-03-2017
		Rs.	Rs.
	<b>ADMINISTRATIVE EXP:</b>		
	(a) Telephone, Postage and Others	1,876,794	1,771,989
	(b) Conveyance	959,050	1,229,807
	(c) Office Maintenance	670,414	1,215,792
	(d) Printing & Stationery Expenses	844,843	1,801,936
	(e) Security Expenses	1,145,350	3,331,506
	(f) Vehicle Maintenance	952,432	715,790
	(g) Professional and Consultancy fee	2,629,580	3,483,250
	(h) Donations	85,000	10,000
	(i) Pooja expenses	456,647	333,890
	(j) Staff welfare	315,869	495,062
	(k) Internal audit fee	143,750	111,250
	(l) Legal Expenses	350,675	525,057
	(m) Directors sitting fee	190,000	257,000
	(n) General Expenses	1,454,590	718,428
	(o) Computer maintenance	11,900	195,955
	(p) Income Tax & Interest Under IT Act	-	109,504
	(q) Other Administrative expenses	9,085,167	13,066,450
	(r) Loss on sale of Investments	-	2,030,244
	(s) Payment to Auditors:		
	(i) As Auditor	126,500	57,500
	(ii) For Taxation Matters		
	(t) Payment to Cost Auditors:		
	Consultancy Fees		9,200
	<b>Sub Total</b>	<b>21,298,562</b>	<b>31,469,610</b>
	<b>SELLING EXP:</b>		
	(a) Business Promotion Expenses	21,360,085	25,731,428
	(b) Travelling expenses - Marketing	3,009,145	6,812,462
	(c) Carriage Outward	24,245,667	16,190,370
	(d) Discount on sales	437,944	3,794,151
	(e) Commission on sales	456,600	475,549
	(f) Advertisement	58,376	45,003
	(g) Loading and Unloading charges	4,626,524	532,114
	(h) Service Tax	1,095,168	780,047
	(i) Other selling expenses	764,410	766,857
	Subtotal	<b>56,053,919</b>	<b>55,127,981</b>
	<b>Total Administrative &amp; Selling Expenses</b>	<b>77,352,480</b>	<b>86,597,591</b>

**NOTE NO. 26 : EXPENDITURE ON SCIENTIFIC RESEARCH**

S. No.	Particulars	Period Ending 31-03-2018	Period Ending 31-03-2017
		Rs.	Rs.
I	(a) Purchase of R & D Equipment and Technology	-	-
	(b) Material Consumed	563,551	847,981
	(c) Pilot Plant expenditure	88,510	1,994,695
	(d) Administrative, Development and other expenses	55,761,575	67,413,331
	(e) Depreciation on Research and Development assets	4,534,345	4,523,297
	<b>Total Expenditure on Scientific Research</b>	<b>60,947,981</b>	<b>74,779,304</b>

**NOTE NO. 27 : FINANCE COST**

S. NO.	Particulars	Period Ending 31-03-2018	Period Ending 31-03-2017
		Rs.	Rs.
I	(a) Interest Expenses		
	- Interest on Cash Credit	27,784,560	22,585,791
	- Interest on Term Loans	16,082,491	17,751,900
	- Loan processing Charges & Bank Charges	7,202,406	4,490,572
	(b) Other Borrowing costs	4,726,302	4,786,692
	<b>Total Finance Cost</b>	<b>55,795,759</b>	<b>49,614,955</b>

## NOTES TO FINANCIAL STATEMENTS

### 28. Share Capital:

The Equity Share Capital of the company as on 31st March, 2018 is 94,98,243/- Equity Shares of Rs. 10/- each fully paid up

### 29. Related Party Transactions:

The Company has entered into the following Related Party Transactions as on 31st March, 2018 such parties and transactions are identified as per Accounting Standard 18 and Section 2 (76) and 188 of Companies Act, 2013 read with Rules made there under.

a) The following are the List of Related Parties:

<b>Name of the Party</b>	<b>Relationship</b>
Sairam Venkata Satya Sarweswara Machiraju	Managing Director
Ajit Vaid	Additional Director
K. Yadagiri Rao	Director
Laxminarayana Matukumalli	Company secretary

b) The following are the Related Party Transactions :

<b>S.No.</b>	<b>Name of the party</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>2017-2018 (Rs.)</b>	<b>2016-2017 (Rs.)</b>
1.	MVSS Sairam	Managing Director	Remuneration	1,23,48,771	99,49,131
2.	K.Yadagiri Rao	Director	Remuneration	3,85,000 (Sept'2017 to March'2018)	-

### 30. Earning per Share (EPS)

The Basic and Diluted EPS is Calculated as under :

<b>Particulars</b>	<b>March 31st 2018</b>	<b>March 31st 2017</b>
a) Profit after Tax during the year (Rs.)	3,98,05,030	3,95,65,570
b) Earnings available to Equity Shareholders for Basic & Diluted EPS(Rs.)	3,98,05,030	3,95,65,570
c) Weighted average Number of Shares taken for computation of EPS		
- Basic	94,98,243	94,98,243
- Diluted	94,98,243	94,98,243
d) Earnings per Share (b/a)		
- Basic	4.19	4.17
- Diluted	4.19	4.17
e) Nominal Value per Share	10	10

**31. Contingent Liabilities:**

There are no Claims against the company not acknowledged as debts

**32. Segment Reporting :**

The Company is operating in one segment – therefore the Segment Reporting as required under Accounting standard -17 is not disclosed here separately.

**33. Deferred Tax Asset / Liability:**

Particulars	As at 31.3.2018	As at 31.3.2017
<b>Deferred Tax Liability</b>		
a) Opening Balance	1,58,67,258	2,21,01,152
<u>ADD:</u> Deferred tax liability	(28,99,598)	(62,33,894)
<b>Total</b>	<b>1,29,67,660</b>	<b>1,58,67,258</b>

	Current Year (Rs.)	Previous Year (Rs.)
<b>34. Directors Remuneration</b>	1,27,33,771	99,49,139

**35. Foreign Exchange Inflow/ Outflow**

	Current Year (Rs.)	Previous Year (Rs.)
Foreign Exchange Inflow towards Export of Goods	26,33,49,068	2,46,21,452
Foreign Exchange Outflow towards Travelling expenses	2,05,66,097	3,52,844



- 36. There are no dues to SSI Units outstanding for more than 45 days.
- 37. Previous year figures are regrouped/reclassified, wherever necessary
- 38. Figures are rounded off to the nearest rupee

**As per our report of even date.**

**For P. Murali & Co.,  
Chartered Accountants  
Firm Regn No: 007257S**

**For and on behalf of the Board Of Directors  
Prasthista Industries Limited**

**M.V Joshi  
Partner  
Membership No: 024784**

**Dr. MVSS Sairam  
Managing Director  
DIN 0052725**

**K. Yadagiri Rao  
Director  
DIN 07059102**

**Place: Hyderabad  
Date: 22<sup>nd</sup> June 2018**

**M. Lakshmi Narayana  
Company Secretary  
Membership No. 20143**

**ANNUAL REPORT**  
**of**  
**R & D Centre (In-house)**

**PRATHISTA INDUSTRIES LIMITED**  
**(2017-18)**

**Registered Office & : Survey No.273-274, S.Lingotam (V)**  
**R & D Centre Choutuppal (M) – 508252**  
**Bhongir Yadadri, Nalgonda Dist.,**  
**Telangana State,**  
**Phone : +91 08694 274746, 274820**  
**Fax : +91 08694 274746**



Meeting with PJSTAU official for PPP model to address Varoius countries



## **ANNUAL REPORT OF R&D CENTER**

### **1. DSIR RECOGNITION**

The Prathista R&D centre is recognized by Department of Scientific and Industrial Research (DSIR), Govt. of India, letter no. TU/IV-RD/2146/2018 dated 24.04.2018 and it is valid till 31.03.2021.

The R&D center is established within manufacturing premises in separate independent block, having well furnished research laboratory area of 7000 SFT and 25000 SFT for state of the art pilot plant facilities. The pilot plant is dedicated to conduct experiments and generate validated data before commercialization of any new product for the company.

### **2. R&D PROJECTS**

#### **2.1. COMPLETED R&D PROJECTS**

##### **2.1.1 Strain Improvement studies for production efficiency enhancement for Fermented Wheat Flour/ Corn Flour**

Strain Improvement studies were conducted by repeated screening and selection methods to enhance the process efficiency of bacterial strains of *Propionibacterium* sp. and improve the commercial scale productivity of Fermented Wheat Flour/ Corn Flour.

##### **2.1.2 Isolation & Screening of potent microbial strains and optimization of bioprocess parameters for upscaling of Natural Vinegar Production by *Acetobacter* sp.**

We have developed a microbial fermentation process at our R&D department for production of acetates through Microbial fermentation process involving strains of *Acetobacter* sp. Further Research was done for screening of highly effective

microbial strains and optimization of Fermentation bioprocess parameters using such microbes & upscaling for commercially viable production of Natural Vinegar (in Solution and powder forms).

### **2.1.3 A study on Effective Nutrient release pattern of Nano Nutrient Molecules.**

Microplot experiments with Vegetable crops were conducted in Green house facility at Prathista Industries Limited, to evaluate the plant growth promoting efficiency of nanonutrients derived from culture extracts of nanoparticle producing microbial strains. It was observed that the microplots treated with nutrient mixture derived from Culture extracts of some of the efficient nanoparticle producing microbial strains, had significantly better yield as compared to the control plots.

## **2.2. ON GOING RESEARCH ACTIVITY**

### **2.2.1 Characterization of Most efficient Microbial Strains for commercial production of Fermented Wheat Flour and Fermented Corn Flour products**

Biochemical Characterization of the selected highly Potent strains of *Propionibacterium* sp. is underway. Further Molecular Characterization of these strains will be done and signature profiles of these highly efficacious strains will be generated to use as reference standard for ensuring the strain purity at genetic level during routine maintenance and preservation of the axenic stock cultures of these microbial assets.

### **2.2.2 Biochemical & Molecular Characterization of Effective Nano Particle Producing Microorganisms.**

Selected Strains showing significant nanoparticle production efficiency under optimal culture conditions are being subjected to further experimental fermentation batches under varied stresses/ nutrient spiking conditions to study their responses.

Thereafter screening of most effective strains will be completed to get commercially viable nanoparticle production efficiency from these selected microbial strains Biochemical and Molecular Characterization of these most potent



isolates will be carried out thereafter, followed by maintenance and preservation of axenic stock cultures of these microbial assets. Characterization of nanoparticles in the plants treated within an nutrients will be conducted through SEM, TEM and spectral studies in collaboration with other Research Institutes/ Universities.

### 3. CONFERENCES, SEMINARS, SYMPOSIA AND WORKSHOPS ATTENDED.

- 3.1. Participated in “the Moscow International Salon of Inventions “Archimedes 2018” held at Moscow, Russia from April 5 - 8, 2018; and Awarded with the “Best Innovation Award” in the symposium.
- 3.2. Participated in “FI-Food Ingredients Asia- International trade fair for food additives” held at Shanghai, China from June-20-22, 2018.
- 3.3. **Presented Research paper at the 5<sup>th</sup> Asian Plant Growth-Promoting Rhizobacteria, International Conference for Sustainable Agriculture 2017 held at Research Center for Biology - Indonesian Institute of Sciences (LIPI), Bogor, Indonesia from July 16 – 19, 2017.**

### 4. Research Articles Communicated :

- 4.1.1 Alok K. Pandey, K. Narendra, G. Ramesh, M.V.S.S. Sai Ram (2018). Identification, screening and characterization of novel acid tolerant microbial isolates of *Propionibacterium* sp. capable of overproduction of Propionate salts through Batch Fermentation. *Int J Systematic Bacteriology*. (Communicated).
- 4.1.2 Alok K. Pandey, K. Narendra, G. Ramesh, M.V.S.S. Sai Ram (2018). Identification and characterization of novel acid tolerant microbial isolates of *Propionibacterium* sp. capable of overproduction of Propionate salts through Batch Fermentation. *Int J Systematic Bacteriology*. (Communicated)

The In-House R&D is being supported with 30 qualified personnel excluding few skilled and semi personnel

**PRATHISTA INDUSTRIES LIMITED**  
**Attendance Slip**

Annual General Meeting on 30.07.2018

Registered Folio No. \_\_\_\_\_

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the Company.

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday, the 30<sup>th</sup> July, 2018 at 11.00 A.M at the Registered Office of the Company at Sy.No: 273 -274, S.Lingotam, Choutuppal, Yadadri Bhongir Nalgonda, Telangana 508252.

Member's / Proxy Name in BLOCK letters

Member's/Proxy's Signature

Note:

1. You are requested to sign and hand this over at the entrance.
2. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting.



## PROXY FORM

**PRATHISTA INDUSTRIES LIMITED**

(CIN : U29150TG1996PLC025278)

**Regd Office:**Sy.No: 273 -274, S.Lingotam, Choutuppal,  
Yadadri-Bhongir, Nalgonda, Telangana 508252

Ph.No. : +91 40 27974711

E-mail: info@prathista.com

Website: www.prathista.com

Name of the member(s)  
Registered address  
E-mail ID  
Folio No

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

1) ..... of.....having e-mail id .....  
or failing him2) ..... of.....having e-mail id .....  
or failing him

3) ..... of.....having e-mail id .....

and whose signature(s) are appended below as our proxy to attend and vote (on a poll) for us and on our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> July, 2018 at 11.00 A.M at the Registered Office of the Company at Sy.No: 273 -274, S.Lingotam, Choutuppal, Yadadri-Bhongir, Nalgonda, Telangana 508252, and discussion are indicated below:

Resol. No.	Resolution	Vote	
		For	Against
	Ordinary Business		
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at 31 <sup>st</sup> March 2018, Cash Flow Statement and the Statement of Profit and Loss for the year ended on that date and the reports of Directors and Auditors thereon.		
2.	To ratify the appointment of M/s. P. Murali & Co., Chartered Accountants, Guntur, who were appointed as Statutory Auditors of the company in the Annual General Meeting held on 30.09.2014 pursuant to section 139 of the Companies Act, 2013 and fix their remuneration		

Signed this.....day of .....2018

Signature of shareholder

Signature of Proxy holder(s)

Re.1  
revenue  
stamp



**Indo Inn Group-Indonesia for Possible Collaboration**



**Horticulture Exhibitions at Necklace Road,Hyderabad**



**Training Program for Progressive farmers & Dealers from Karnataka at Prathista facility**





Prathista Farm Gro Launching at Dealers meet





Prathista team Interaction with Vice President of India at IIIM-Jammu



CII Agritech exhibition





TK Dagan Technologies, Israel official & Israel KOSHER Auditor visits Prathista Facility

# PRATHISTA INNOVATIONS & HONORS



Prathista "3G" fertilizers and its research proceedings were published in American Agronomy Society (AAS - USA) International conference. Repeated Research reveals that Prathista "3G" fertilizers protects Ecology while providing required "NUTRIENTS" for all crops / plants and also provides much needed Organic Carbon for the soil to enhance soil micro - flora and to improve soil health.

Prathista honored with BEST GREEN FIELD COMPANY AWARD consecutively for two years by POLLUTION CONTROL BOARD, Telangana State, India.



Asia's largest industrial fermentation plant

India based Multinational Company

## CERTIFICATIONS FOR PRODUCTS & SERVICES

- ➔ GMP as per DMF
- ➔ KOSHER
- ➔ HALAL
- ➔ USFDA
- ➔ ISO 9001, 14001 & OHSAS 18001
- ➔ HACCP (Hazard Analysis Critical Control Points)
- ➔ ISO 22000 : 2005 (Food Safety Management System)
- ➔ FSSAI - Govt. of India



**PRATHISTA**  
*The pride of being*

## PRATHISTA INDUSTRIES LIMITED

**AS ISO : 9001, 14001 & OHSAS 18001 HACCP & 22000 CERTIFIED COMPANY**

**Office :** 1-5-1015/80 & 81, Vaishnavi Bhavan,  
Father Balaiah Nagar, Manjeera Nagar Colony, Old Alwal,  
Secunderabad - 500 010, Telangana State, India.

**Factory :** Sy. No. 273 & 274, S. Lingotam (Vil.),  
Choutuppal - 508252, Yadadri-Bhongir District,  
Telangana State, India.

Ph : +91-40-29880256, 29880266, Toll Free : 1800 425 1583  
Email : [info@prathista.com](mailto:info@prathista.com) web: [www.prathista.com](http://www.prathista.com)