

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors present herewith the 116th Annual Report along with Audited Statement of Accounts of The Pratap Spg. Wvg. & Mfg. Co. Ltd., for the Accounting Year ended on 31st March, 2017, together with the Report of auditors thereon.

01. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

(Rupees in'000)

PARTICULARS	2016-17	2015-16
Sales		
Other Income	19	20
Gross Profit/(Loss) before – Interest & Depreciation	(52)	(62)
Interest	-	-
Depreciation	-	-
Net Profit/(Loss) for the year	(52)	(62)
Previous Year's Adjustment Income/(Expenditure)	-	-
Net Profit/(Loss) for the year transferred to the Balance Sheet	(52)	(62)

Your Company during the year made net Loss of Rs. 52 thousand as compared to net loss of Rs. 62 thousand for the previous Year. There were no production/sales activities during the year. The net loss represents administrative cost and other expenditure incurred by the Company which are towards its closure activities. The Company could maintain the administrative expenses at Rs. 71 thousand as compared to Rs. 82 thousand during the year.

02. DIVIDEND

In view accumulated losses and loss suffered during the year under report your directors do not recommend any dividend or any transfer of amount to General reserve for the period ended 31st March, 2017.

03. PROCEEDINGS BEFORE THE COMPANY COURT IN THE MATTER OF CONFIRMATION OF WINDING-UP ORDER PASSED BY BIFR/AAIFR :

As already informed the AAIFR vide its order dated 11-4-2000 has confirmed the Opinion of the BIFR for the winding-up of the Company. However the Winding up proceedings have not yet commenced before the High Court.

04. FINANCE:

The day to day financial requirements of the Company are being met out of other income and the excess requirements are being arranged by MSTC, the holding Company.

05. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report; which shall be affecting the financial position of the Company.

06. RISK MANAGEMENT POLICY AND ANNUAL EVALUATION OF ITS PERFORMANCE BY THE BOARD:

The Company is under control of the policy decision taken by the Government of Maharashtra through its holding company from time to time. The Company does not have separate risk management policy. The members of the Board are appointed by the Holding Company, who are officers of the Government. There is no separate procedure for evaluation of its performance by the board.

07. SHARE CAPITAL :

During the year under report there is no change in the paid up capital of shareholding pattern of the Company. The Company has not bought back any of its securities during the year under review. The Company has not issued any Sweat Equity Shares during the year under review. No Bonus Shares were issued during the year under review. The Company has not provided any Stock Option Scheme to the employees.

08. DIRECTORS AND BOARD MEETINGS :

Your Directors, as per the Articles of Association, are appointed by the Holding Company. Since last report of Directors there are no changes in the Board of your Company

During the year your Corporation held 4 (Four) Board meetings on 27.06.2016, 09.08.2016, 13.12.2016 and 22.02.2017. Further 2 (Two) Audit Committee Meetings were held on 09.08.2016 and 22.02.2017.

As per the articles of association of the Company, the Directors one third of the total directors of your Company are appointed by the Holding Company. The Holding Company has requested the Government to appoint Independent Directors on its Board of the holding Company. The orders from Government are awaited. The process appointment of independent directors on the Board of the Company will be completed thereafter. There is no woman director on the Board of your Company after cessation of appointment of Smt Richa Bagala w.e.f. 25/05/2016. The holding Company has requested for appointment of a woman director on the Board to the Government.

The Company, as reported earlier is a non going concern. The Board therefore has not appointed Nomination and Remuneration Committee and Stakeholders Relationship Committee. At present Directors on the Board are appointed by Holding Company, which is under exclusive control of the Government of Maharashtra. The Company therefore no separate policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Act;

09. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is a non going concern having huge accumulated losses. Since Your Company has incurred losses in previous five or more financial years the Company has not formulated any CSR Policy.

10. AUDITORS :

The Comptroller and Auditor General of India, New Delhi, have appointed M/s. S S Dhamne & Co, Chartered Accountants, Chalisgaon, as the Statutory Auditors for auditing the Company's Accounts for the year under report.

11. APPOINTMENT OF THE AUDIT COMMITTEE AND OTHER COMMITTEES OF THE BOARD :

As required under Section 177 of the Companies Act, 2013, your Board has appointed Audit Committee of the Board. The Committee holds meetings regularly.

12. EXTRACT OF THE 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 – A and is attached to this Report.

13. PARTICULARS OF LOANS GUARANTEE AND INVESTMENT BY THE COMPANY :

Your Company during the year has not given any Loan, Guarantee or has not made any investment in any Company or other entity.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

Your Company during the year has not entered in to any contract or arrangement with related parties as per section 186 of the Companies Act, 2013..

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(C) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts for the year ended on March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) that the directors have 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 as at March 31, 2017 and of the profit and loss of the Company for the year ended on that date;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the

Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) that the annual accounts have been prepared on a Non Going Concern basis;
- (e) that the directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that 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.

16. PARTICULARS OF EMPLOYEES :

The Company has no employees. None of the consultants of the Company has been paid remuneration/ fees in excess of the limit prescribed under Section 197 (12) of the Companies Act , 2013 read with rule 5 of the Companies (Appointment & Remuneration to Managerial Personnel) Rules 2014

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

No production activity is carried out by your Company. The information as required by the Section 134 of the Act read with Rule 8 of The Companies (Accounts) Rules 2014 the information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is NIL (PY NIL).

18. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank the Government of Maharashtra and Maharashtra State Textile Corporation for the help, financial support and guidance from time to time.

For and on behalf of the Board of Directors

Ravikant C Tupkar

Chairman

Place: Mumbai

Date: 23rd August 2017.

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

as on the financial year ended on 31st March,2017

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U17100MH1906SGC000241
ii.	Registration Date	13/08/1906
iii.	Name of the Company	THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
iv.	Category/Sub-Category of the Company	Company Limited By Shares / State Government Company
v.	Address of the Registered office and contact details	PRATAP NAGAR, P B NO 36, AMALNER, Dist. Jalgaon, Maharashtra -425401
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

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 Revenue from Operations of the Company during the year was NIL. Income of the Company represents "Other Income"

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Maharashtra State Textile Corporation Limited . 303, Fl.3rd, Plot-37, Kshamalaya, Vitthaldas Thackarsey Marg, Opp SNDT College, New Marine Lines, Mumbai -400020	NIL	Holding	99.96%	2 (46)

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				% Change during The year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0	NIL	0	0	0	NIL
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	NIL	9262910	9262910	99.96 %	NIL	9262910	9262910	99.96 %	NIL
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	NIL	9262910	9262910	99.96 %	NIL	9262910	9262910	99.96 %	NIL
2) Foreign									
g) NRIs- Individuals	0	0	0	0	0	0	0	0	0
h) Other- Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Overseas	0	0	0	0	0	0	0	0	0

b) Individuals	NIL	3995	3995	0.04%	NIL	3995	3995	0.04%	NIL
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others(Specify)	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	NIL	9266905	9266905	100%	NIL	9266905	9266905	100%	NIL

ii. Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	
1.	Maharashtra State Textile Corporation Limited	9262910	99.96%	0%	9262910	99.96%	0%	NIL
Total		9262910	99.96%	0%	9262910	99.96%	0%	NIL

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

Sr. no		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	9262910	99.96%	9262910	99.96%
	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):	No Change in the Shareholdings During the Year		No Change in the Shareholdings During the Year	
	At the End of the year	9262910	99.96%	9262910	99.96%

iii. Shareholding pattern of top 10 share holders other than Directors, Promoter and holders of GDRs and ADRs

Since MSTC, the Holding company and promoter is having control over 99.96 % of the paid up share capital, the Company, the shareholdings of other top 10 share holders other than Directors, Promoter and holders of GDRs and ADRs is negligible .

Sr. no		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				
	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				

INDEBTEDNESS :

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

	Rs in 000			
	Secured Loans excluding deposits Rs.	Unsecured Loans Rs.	Deposits Rs.	Total Indebtedness Rs.
Indebtedness at the beginning of the financial year	NIL	From Holding Company	NIL	
i) Principal Amount	NIL	241474	NIL	241474
ii) Interest due but not paid	NIL	163225	NIL	163225
iii) Interest accrued but not due	NIL	0	NIL	0
Total(i +ii +iii)	NIL	404699	NIL	404699
Change in Indebtedness during the financial year	NIL		NIL	
- Addition		53		53
- Reduction		(0)		(0)
Net Change		53		53
Indebtedness at the end of the financial year	NIL	From Holding Company	NIL	From Holding Company
i) Principal Amount	NIL	241527		241527
ii) Interest due but not paid	NIL	163225		163225
iii) Interest accrued but not	NIL	0		0
Total(i +ii +iii)	NIL	404752	NIL	404752

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL : NIL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0	0
5.	Others, please specify	0	0	0	0	0
6.	Total(A)	0	0	0	0	0
	Ceiling as per the Act	Not Applicable as No Managerial Remuneration is Paid				

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total(1)					
	<u>Other Non-Executive Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0	0	0
	Total(2)	0	0	0	0	0
	Total(B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	Not Applicable as No Managerial Remuneration is Paid				

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<u>1</u>	Gross salary :	0	0	0	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
1.	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
6.	Total	0	0	0	0

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers In Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	NIL
	Nature of contracts/arrangements/transaction	NIL
	Duration of the contracts/arrangements/transaction	NIL
	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
	Justification for entering into such contracts or arrangements or transactions	NIL
	Date of approval by the Board	NIL
	Amount paid as advances, if any	NIL
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	NIL
	Nature of contracts/arrangements/transaction	NIL
	Duration of the contracts / arrangements / transaction	NIL
	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
	Date of approval by the Board	NIL
	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

Ravikant C Tupkar

Chairman

Place: Mumbai
Date: 23rd August 2017.

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Pratap Spinning, Weaving & Manufacturing Company Limited

1. Report on Financial Statements

We have audited the accompanying Financial Statements of **The Pratap Spinning, Weaving & Manufacturing Company Limited** ('the Company') which comprise the Balance-sheet as at **31st March 2017** and the related Statement of Profit and Loss and the Cash Flow Statement for the year then ended and summary of Significant Accounting Policies and Other Explanatory Information.

2. 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 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its loss and cash flows for the year ended on that.

5. Report of the Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 ('the Act') we enclose in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the said Order.
- ii. **As required by Section 143(3) of the Act, subject to above we report that,**
 - a. We have 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 and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on the 31st March 2017 taken on record by the Board of Directors none of the Directors are disqualified as on 31st March 2017 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 the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our opinion and to the best of our information and according to the explanations given to us:
- i. The Company have pending litigations which may have an impact on its financial position in its financial statements kindly refer Note No. 2.29;
 - ii. The Company does not have any long-term contracts including derivative contracts and has not made provisions, as required under the applicable laws or accounting standards, for material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosure in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.24.
- iii. As required by Section 143(5) of the Act, we give in "**Annexure C**" a statement on the directions / sub-directions issued by the Comptroller and Auditor General of India.

Place: Pune
Date:

For S. S. Dhamne & Co.
Firm Registration No.: 116232W
Chartered Accountants

Abhishek S Dhamne
(Partner)
Membership No.: 135108

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in paragraph 5 (i) under heading "Report of the Other Legal and Regulatory Requirements" of our Report of even date to the Members of **The Pratap Spinning, Weaving and Manufacturing Company Limited** ('the Company')

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management during the year at reasonable interval. No material discrepancies were noticed on such verification.
 - c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has not been physically verified during the year by the management. In view of enbloc of sale of assets and closure of manufacturing activity in F.Y.2001-2002 there is no stock of inventory and therefore company has not maintained the records of inventory.
- iii) As informed, the Company has not granted unsecured advances to any of the parties which are covered in the register maintained under Sec 189 of the Act. Said sub-clauses (a), (b) and (c) of clause 3(iii) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested have been complied with by the Company and the provisions of section 186 of the Companies Act 2013 are not applicable to the Company.
- v) The Company has not accepted deposits during the year from the Public. Hence, question of compliance with directives issued by the Reserve Bank of India and the provision of the section 73 to 76 or any other relevant provisions of the Companies Act 2013 and the other applicable rules framed there under and compliance of any orders passed by the Company Law Board or National Company Law Tribunal does not arise. The provision of clause 3(v) of the Order is not applicable to the Company.
- vi) Central Government has prescribed maintenance of Cost Records under sections 148(1) of the Companies Act, 2013 for the products of the Company. According to the information and explanations given to us and in our opinion, the Company has not maintained cost records in regard to the products of Textile Division. We are explained that such records have not been maintained during F.Y.2016-17, since there is no manufacturing activity during year

- vii) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and any other material statutory dues with the appropriate authorities applicable to it. The Provisions relating to Employees State Insurance, Sales Tax and Excise Duty are currently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other undisputed material statutory dues were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable. The Provisions relating to Employees State Insurance, Sales Tax and Excise Duty are currently not applicable to the Company.

- b) According to the information and explanations given to us, there are no material dues of Income Tax, Service Tax, Duty of Customs and Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.

- viii) *Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, in absence of Loan Agreement and Repayment Schedule we are unable to comment upon whether the Company has defaulted in repayment of dues to Holding Company amounting to Rs. 231,215,000 (Previous year Rs. 231,215,000/-). Interest accrued but not due on such loan amounts to Rs. 163,225,000/- (Previous year Rs. 163,225,000/-)*

- ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements monies raised by the Company by way of term loans were applied for the purpose for which those were raised.

- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- xi) According to the information and explanations given by the management, The Company being a unlisted Public Limited Company Provisions relating to managerial remuneration specified in Section 197 read with Schedule V to the Companies Act 2013 are not applicable.

- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements, The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

Place: Pune
Date:

For S. S. Dhamne & Co.
Firm Registration No.: 116232W
Chartered Accountants

Abhishek S. Dhamne
(Partner)
Membership No.: 135108

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

The annexure referred to in paragraph 5 (ii)(f) under heading "Report of the Other Legal and Regulatory Requirements" of our Report of even date to the Members of The Pratap Spinning, Weaving and Manufacturing Company Limited ('the Company').

6. Report on the Internal Financial Controls

We have audited the Internal Financial Controls over Financial Reporting of **The Pratap Spinning, Weaving and Manufacturing Company Limited** ('the Company') as of **31st March 2017** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

7. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

8. Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

9. Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the 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.

10. Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

11. 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 **31st March 2017**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. S. Dhamne & Co.

Firm Registration No.: 116232W
Chartered Accountants

Abhishek S. Dhamne
(Partner)

Membership No.: 135108

Place: Pune
Date:

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 5 of Section 143 of the Companies Act, 2013 ('the Act')

The annexure referred to in paragraph 5 (iii) under heading "Report of the Other Legal and Regulatory Requirements" of our Report of even date to the Members of The Pratap Spinning, Weaving and Manufacturing Company Limited ('the Company').

Sr. No	Areas to be examined	Observation/Finding	Impact on Financial Statements										
A. DIRECTIONS													
1	Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	According to information and explanation given to us there are no material cases of waiver/write off of debts/loans/interest etc during the year.	Nil										
2	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities.	Not applicable in view of closure of manufacturing activity.	Nil										
3	A report on age-wise analysis of pending legal /arbitration cases including the reasons for existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>There are 40 pending legal cases against the company. The age-wise classification obtained from management is as under;</p> <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Age (In years)</th> <th style="width: 15%;">Number of pending cases</th> </tr> </thead> <tbody> <tr> <td>0-5</td> <td style="text-align: center;">39</td> </tr> <tr> <td>5-15</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>15-25</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>> 25</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> <p>These cases are pending for hearing/disposal at respective forums. The company has a system for monitoring expenditure on legal cases (foreign and local) which in our view is effective.</p> <p>Reasons: The cases are pending due to adjournment sought by either of the parties, pre-occupation of courts due to heavy backlog of cases, transfer/ retirement of</p>	Age (In years)	Number of pending cases	0-5	39	5-15	Nil	15-25	Nil	> 25	1	Nil
Age (In years)	Number of pending cases												
0-5	39												
5-15	Nil												
15-25	Nil												
> 25	1												

		arbitrator, delay in compliance of arbitrator directions etc.	
4	If company has been selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and Liabilities (including committed and general reserve) may be examined including the mode and present stage of disinvestment process.	We have been informed that the Government has not intimated the Company about any plan of direct disinvestment.	Nil

B-Sector Specific sub-directions:

Sr No	Areas to be examined	Observations/Findings	Impact on Financial Statements
1	Whether Profit/Loss mentioned in Audit Report is as per Profit and Loss of company?	Yes	Nil
2	Whether the Company has effective system for physical verification, Valuation of stocks, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification?	Company has no stock hence not applicable.	Nil
3	What is the system of valuation of by-products and finished products? List out cases of deviation from its declared policy.	Company has no by-product. Hence not applicable.	Nil
4	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.	Company has suspended its commercial activities since 2001.	Nil

For S. S. Dhamne & Co.

Firm Registration No.: 116232W
Chartered Accountants

Place: Pune
Date:

Abhishek S. Dhamne
(Partner)
Membership No.: 135108

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
CIN: U17100MH1906SGC000241

(Rs. in '000)

Balance-Sheet	Notes	As at March 31, 2017	As at March 31, 2016
Equity and Liabilities			
1 Shareholders' Fund			
a Share Capital	2.1	231,673	231,673
b Reserves and Surplus	2.2	(638,886)	(638,834)
Sub-total		(407,213)	(407,161)
2 Share Application Money			
		-	-
3 Non-Current Liabilities			
a Long Term Borrowings		-	-
b Deferred Tax Liabilities (Net)		-	-
Sub-total		-	-
4 Current Liabilities			
a Trade Payables	2.3	8	8
b Other Current Liabilities	2.4	407,348	407,295
c Short-Term Provisions	2.5	17	25
Sub-total		407,374	407,328
Grand Total		160	167
Assets			
1 Non -Current Assets			
a Fixed Assets	2.6		
i Tangible Assets		8	8
ii Intangible Assets		-	-
Sub-total		8	8
b Investments	2.7	0	0
c Deferred Tax Assets (Net)		-	-
Sub-total		0	0
2 Current Assets			
a Inventories		-	-
b Trade Receivables	2.8	-	-
c Cash and Cash Equivalents	2.9	12	13
d Short-term Loans and Advances	2.10	140	146
Sub-total		152	159
Significant Accounting Policies	1		
Grand Total		160	167
<p>The Schedules referred to above form and are integral part of Balance sheet. Subject to our separate report of even date.</p>			
<p>For S. S. Dhamne & Co. Firm Registration No.: 116232W Chartered Accountants</p>		<p>For and on behalf of the Board of THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED</p>	
<p>Abhishek S. Dhamne (Partner) M. No.: 135108</p>	<p>(A L Kamble) Consultant (F & A) MSTCL</p>	<p>(Damodar Kulkarni) Managing Director DIN: 06989641</p>	<p>(Ravikant Tupkar) Chairman DIN: 07283198</p>
Place : Pune Date :		Place : Mumbai Date :	

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED

CIN: U73200PN2005PLC020212

(Rs. in '000)

Statement of Profit and Loss	Sch	Period Ended March 31, 2017	Period Ended March 31, 2016
Income			
a Income from Operations		-	-
b Other Income	2.11	19	20
		19	20
Expenditure			
a Decrease/(Increase) in Work in Progress		-	-
b Employee Benefit Expenses		-	-
c Operating, Office and Administration Expenses	2.12	71	82
e Depreciation and Amortisation	2.6	0	0
		71	82
Profit Before Tax		(52)	(62)
Tax Expense			
a Current Tax		-	-
b Deferred Tax	#REF!	-	-
Sub-total		-	-
Profit for the Period		(52)	(62)
Equity share of par value of Rs. 10 Each			
Basic and Diluted		(0.0056)	(0.0067)
Number of Share used in computing earning per share			
Basic and Diluted		9,266,905	9,266,905
Significant Accounting Policies	1		

The Schedules referred to above form and are integral part of Statement of Profit and Loss.
Subject to our separate report of even date.

For and on behalf of the Board of
**THE PRATAP SPINNING WEAVING AND
MANUFACTURING COMPANY LIMITED**

For S. S. Dhamne & Co.
Firm Registration No.: 116232W
Chartered Accountants

Abhishek S. Dhamne
(Partner)
M. No.: 135108

(A L Kamble)
Consultant (F & A)
MSTCI

(Damodar Kulkarni)
Managing Director
DIN: 06989641

(Ravikant Tupkar)
Chairman
DIN: 07283198

Place : Pune Date :

Place : Mumbai Date :

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
CIN: U73200PN2005PLC020212

(Rs. in '000)

Sr No	Cash-flow Statement	Year Ended 31st March 2017	Year Ended 31st March 2016
A	Cash Flow from Operating Activities		
	Profit/(Loss) After Taxes	(52)	(62)
	<u>Add: Adjustments for</u>		
	Depreciation for the Period	-	-
	Increase/(Decrease) in Provision	(8)	7
	Sub-total	(8)	7
	Operating profit before Working Capital Changes	(60)	(55)
	Adjustment for working capital changes		
	(Increase)/Decrease in Inventories	-	-
	(Increase)/Decrease in Trade and Other Receivables	6	9
	(Increase)/Decrease in Loans and Advances	-	-
	Increase/(Decrease) in Trade Payables	53	41
	Sub-total	59	50
	Cash Generated from Operations	(1)	(5)
	Less: Taxes paid including TDS, net of Refunds	-	-
	Net Cash from Operating Activities (A)	(1)	(5)
B	Cash flow from Investing Activities		
	Purchase of Fixed Assets	-	-
	Proceeds from Sale of Fixed Assets	-	-
	Interest and Dividend Received	-	-
	Net Cash used in Investing Activities (B)	-	-
C	Cash flow from Financing activities		
	Proceeds from issue of shares	-	-
	Proceeds/(Repayment) from Long Term Loan (Net)	-	-
	Proceeds/(Repayment) from Working Capital Loan (Net)	-	-
	Increase/(Decrease) in OSD Reserve	-	-
	Interest Paid	-	-
	Net cash used in Financing Activities (C)	-	-
D	Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(1)	(5)
E	Cash and Cash equivalents at the beginning of the year	13	18
F	Cash and Cash equivalents at the end of the year	12	13

The Schedules referred to above form and are integral part of Cash flow Statement.

Subject to our separate report of even date.

For S. S. Dhamne & Co.

Firm Registration No.: 116232W

Chartered Accountants

For and on behalf of the Board of
**THE PRATAP SPINNING WEAVING AND
MANUFACTURING COMPANY LIMITED**

Abhishek S. Dhamne

(Partner)

M. No.: 135108

(A L Kamble)

Consultant (F & A

MSTCI

Ravikant Tupkar

Chairman

DIN: 07283198

Damodar Kulkarni

Managing Director

DIN: 06989641

Place : Pune Date :

Place : Mumbai Date :

1.1 Corporate information of the Company

The Pratap Spinning Weaving and Manufacturing Company Limited is a company incorporated and domiciled in India as a Joint Stock Company under the Companies Act, 1956 having its registered office in Amalner, Maharashtra. The Company became a subsidiary of Maharashtra State Textile Corporation Limited, wholly owned Government of Maharashtra undertaking in April, 1972.

The Company had preferred an Appeal No 88/96 before AAIFR against the order dated 08/04/1996 passed by BIFR in reference no 623/93 confirming its earlier opinion about the winding up of the Company. The AAIFR, under its order dated 11/04/2000 dismissed the appeal filed by the Company. The matter is pending with the Company Court of Bombay High Court, Mumbai for confirmation of the order of BIFR. Since the Company has no employees the Company as on date is not under preview of BIFR.

Due to unviable nature of the Mills managed by MSTC, the Government of Maharashtra in its Cabinet meeting held on 10/01/2001 decided to close all the Units and subsidiaries of MSTC including PMA by paying VRS as per Gujarat Pattern to its employees and workers and then wind up the MSTC.

With reference to the decision of Government of Maharashtra for closure of the MSTC and mills under its management, the company has closed down all the manufacturing activity and disposed off all plant and machinery and building structure and mill land in March 2002 and relieved all employees and workers of the company. After disposing off all the productive assets, the company became defunct company and under process of closure. Therefore, the company has changed its accounting policy from "Going Concern" to "Non-going concern" basis and revalued all its remaining landed properties and other assets from the approved valuer. The Value of the landed property, building structure and other assets as per the valuers' report was much higher than the book value as on 31st March 2007. Therefore no provision for diminution in value of these assets was made in the books. Surplus on account of higher valuation of landed and other property is being accounted in the year of actual realization of the surplus and thus carried at their book value.

As per valuer's report, the balance freehold landed properties are valued at Rs.5932 thousands. In respect of leasehold land no separate cost has been estimated in view of the amendment in Rent Control Act, 1999. However, the valuer has estimated residual value for the worker chawls of Rs. 2269 thousand. During the year 2008-09 the company has handed over the possession of ginning factory & Gin Godown to the lessor. These buildings were constructed long back and no separate cost is available in the books.

Since there is no material change in the value of balance assets during the current year, no fresh valuation report has been taken by the management.

The recommendation of BIFR for winding up of the Company is pending for confirmation of Bombay High Court. Further as per the decision taken by the Govt of Maharashtra, MSTC Ltd., the holding company, has relieved all the full time employees of this company under VRS by 30/09/2001. As a result there is no full time company secretary in the employment as required U/s 203 of the companies Act, 2013.

In view of Government decision to wind up the Company and in view of huge accumulated losses, there will be no taxable profits and hence no accounting for taxes on income or deferred tax asset is made in the books.

1.2 Basis of preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in conformity with the generally accepted accounting principles (GAAP) in India and comply with the all material aspects notified in Accounting Standards (AS) prescribed in the Companies (Accounting Standards) specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The accounting of company is done on 'Non-going concern' basis, as the company has disposed off all its productive assets and currently is a non-operative organization.

1.3 Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that, affect the reported amount of assets and liabilities the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year-end. Although these estimates are based upon management's best knowledge of current events and actions, actual results may differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods.

1.4 Tangible Assets and Depreciation

Fixed assets are stated at cost of acquisition less accumulated depreciation. The cost comprises of the purchase price and the attributable cost of bringing the asset to its working condition for intended use. Expenses include Inward freight, duties, taxes and other directly attributable expenses.

Depreciation on fixed assets is provided on the Straight Line Method pro-rata to the period of use. The rates of depreciation prescribed in Schedule III to the Act have been adopted by the Company, which in the view of the management reflects the useful life of the related fixed asset. Depreciation on assets sold during the year is recognised on a pro-rata basis to the profit and loss account till the date of sale.

Capital work-in-progress includes the cost of fixed assets that are not ready for intended use at the Balance Sheet date and advances paid to acquire capital assets before the Balance Sheet date.

The value of The Value of the landed property, building structure and other assets as per the valuers' report was much higher than the book value as on 31st March 2007. Therefore no provision for diminution in value of these assets was made in the books.

1.5 Investments

Long-term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

1.6 Revenue Recognition

Product Sales and Service

Revenue is recognised on when delivery is complete and the property in the goods is transferred or services are rendered to Customers as per the terms of the contract of sale provided deliver is certain.

Interest and Dividend

Interest on Fixed Deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

1.7 Provisions and Contingencies

Provision is recognised in the Balance Sheet when, the Company has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the present obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. There is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.8 Income Taxes

In view of Government decision to wind up the Company and in view of huge accumulated losses, there will be no taxable profits and hence no accounting for taxes on income or deferred tax asset is made in the books.

1.9 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of

1.10 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at bank and in hand, cheques on hand and remittances in transit.

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Schedules to and forming Part of Balance-sheet

2.1 Share Capital

(Rs. in '000)

Particulars	As at March 31,	
	2017	2016
Authorised Share Capital		
Equity Share of Rs. 25 Each		
Current Year 11,600,000 Equity Shares	290,000	290,000
Previous Year 11,600,000 Equity Shares		
Issued, Subscribed and Paid up		
Equity Share of Rs. 25 Each fully paid up		
Current Year 9,266,905 Equity Shares	231,673	231,673
Previous Year 9,266,905 Equity Shares		
	231,673	231,673

(Nos. of Shares)

Reconciliation of Number of Shares Outstanding	As at March 31,	
	2017	2016
Number of Equity Shares at the Beginning	9,266,905	9,266,905
Add: Issued during the year	-	-
Less: Buy Back during the year	-	-
Nos of Equity Shares at the End	9,266,905	9,266,905

Details of Shareholders holding shares more than 5%	As at March 31,	
	2017	2016
Maharashtra State Textile Corporation Limited		
Nos of Equity Shares at the End	9,262,910	9,262,910
Percentage Holding	99.96%	99.96%

2.2 Reserves and Surplus

(Rs.in '000)

Particulars	As at March 31,	
	2017	2016
Profit and Loss Account		
Opening Balance	(638,834)	(638,772)
Addition :		
Profit during the Year	(52)	(62)
Appropriations :		
(Excess)/Short Provision of Income Taxes		
	-	-
Sub-Tota	(638,886)	(638,834)
Other Reserves		
Sundry Debtors Reserve	-	-
Work In Progress Reserve	-	-
	(638,886)	(638,834)

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Schedules to and forming Part of Balance-sheet

2.3 Trade Payable

(Rs. In '000)

Particulars	As at March 31,	
	2017	2016
Micro, Small and Medium Enterprises	-	-
Others	8	8
	8	8

2.4 Other Current Liabilities

(Rs. In '000)

Particulars	As at March 31,	
	2017	2016
Interest accrued but not due	163,225	163,225
Duties and Taxes	3	3
Expenses Payable:		
Deposits from employees for quarters	2,593	2,593
Government Loan- Maharashtra State Textile Corporation Ltd	231,215	231,215
Current Account- Maharashtra State Textile Corporation Ltd	10,312	10,259
	407,348	407,295

The Government of Maharashtra has decided to transfer the ownership of the mill chawls to the existing residents up to chawl area of 225sq.ft. at free of cost excluding the MSTC grade officers and the cost of area in excess of 225 sq.ft. is to be recovered from residents. The process of the transfer of ownership in respect of 27 residents out of 216 residents is completed and in respect of 140 residents the matter is in progress. The interest free deposit received from such residents of Rs.2593 thousands is shown as deposit from employees for quarter.

All the MSTC (Govt.) Loans/ Lien money/ Current A/c are treated as interest free w. e. f. 1.4.2005 as advised by holding company.

2.5 Short-Term Provisions

(Rs. In '000)

Particulars	As at March 31,	
	2017	2016
Provision for Employee benefits	-	-
Others:		
a. Liability for Expenses - 2016-17	15	-
b. Liability for Expenses - 2015-16	1	20
c. Liability for Expenses - 2014-15	1	5
	17	25

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Schedules to and forming Part of Balance-sheet

2.7 Investments

(Rs. In '000)

Particulars	As at March 31,	
	2017	2016
Investment in Listed Equity Shares	0	0
Unquoted, Fully Paid Equity Shares	-	-
	0	0
a) Aggregate amount of quoted investments Rs. Nil thousand (Previous year Rs. Nil thousands)		
b) Aggregate amount of unquoted investments Rs. 0.1 thousand (Previous year Rs. 0.1 thousands)		
c) Aggregate provision for diminution in value of investments Rs Nil thousands (Previous year Rs. Nil thousands)		

2.8 Trade Receivables

(Rs. in '000)

Particulars	As at March 31,	
	2017	2016
Trade Receivables		
More than Six Months	-	-
Less than Six months	-	-
	-	-

2.9 Cash and Cash Equivalents

(Rs. in '000)

Particulars	As at March 31,	
	2017	2016
Balances with Bank		
Schedule Bank	10	11
Non Schedule Bank	-	-
	10	11
Cash on Hand	2	2
	12	13

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Schedules to and forming Part of Balance-sheet

2.10 Short-term Loans and Advances

(Rs. in '000)

Particulars	As at March 31,	
	2017	2016
Secured Considered good	-	-
Unecured Considered good	140	146
Doubtful : Western Coal Fields Limited	163	163
Less: Provision for Doubtful loans and advances		
Western Coal Fields Limited	(163)	(163)
	140	146
<p>Out of above, a sum of Rs. 115 thousand plus interest up to 31.03.2017 Rs. 15 thousand (Total Rs. 130 thousand) is appearing as receivable from M/s Om Narayan industries Pvt. Ltd. (ONID) towards stamp duty reg. charges paid by PMA on behalf of ONID. However, ONID has refused its liability towards interest & as far as principal is concerned, ONID is ready to refund the same only after recovery of the said amounts from respective occupants of PMA Chawls.</p>		

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Statement Showing Fixed Assets and Calculations of Depreciation and Amortisation
2.6 : Fixed Assets

(Rs. in '000)

Sr. No	PARTICULARS	Rate in %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
			As at 1/04/2016	Additions	Deletions	As at 31/03/2017	As at 1/04/2016	for the Period	As at 31/03/2017	As at 31/03/2017	As at 31/3/2016
			1	2	3	4	5	6	7	8	9
A	<u>Tangible Assets</u>										
1	Land	0%	8	-	-	8	-	-	-	8	8
2	Office Equipments	18.10%	9	-	-	9	9	0	9	0	0
	Sub Total		17	-	-	17	9	0	9	8	8
B	<u>Intangible Assets</u>										
6	Goodwill	-	-	-	-	-	-	-	-	-	-
	Sub Total		-	-	-	-	-	-	-	-	-
	Total		17	-	-	17	9	0	9	8	8
	Total Rs. (Previous Year)		17	-	-	17	9	0	9	8	8

Further, in case of assets acquired prior to 1st April 2014, the carrying value (net of residual value) is depreciated over the remaining useful life as determined effective 1st April,2014.

THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY LIMITED
Schedules to and forming Part of Profit and Loss Account

2.11 Other Income

(Rs. in '000)

Particulars	For the Period Ended	
	2017	2016
Interest Income	-	16
Rental Receipts	19	4
	19	20

2.12 Operating, Office and Administrative Expenses

(Rs. in '000)

Particulars	For the Period Ended	
	2017	2016
Audit Fees (Refer Note No. 2.15)	12	12
Bank Charges	0	0
Postage and Telegram	4	4
Legal Charges, Consultancy and Professional Fees	2	4
Telephone Expenses	2	5
Rent, Rates and Taxes	43	42
Travelling and Conveyance	0	1
Meeting Expenses	1	1
Printing and Stationery	1	1
Filing and Registration Fees	4	8
Miscellaneous Expenses	1	4
	71	82

2.13 Contingent Liabilities

(Rs. in '000)

	Year ended March 31, 2017	Year ended March 31, 2016
Liabilities neither provided for Claims against the Company nor acknowledged as debts: Nil	-	-
	-	-

2.14 Additional information as required by the Schedule III of the Companies Act, 2013, the details are as under:

(Rs. in '000)

		Year ended March 31, 2017	Year ended March 31, 2016
a	Value of imports on CIF Basis in respect of		
i	Raw Material	Nil	Nil
ii	Components and Spares Parts	Nil	Nil
iii	Capital Goods	Nil	Nil
b	Expenditure in foreign currency for royalty, Know how, professional and Consultation fees, interest and other matters		
i	Professional Fees	Nil	Nil
c	Value of imported raw materials, spares parts and components consumed	Nil	Nil
d	Dividends remitted in foreign currency	Nil	Nil
e	Earning in foreign exchange	Nil	Nil

2.15 Payments to Auditors

(Rs.in '000)

		Year ended March 31, 2017	Year ended March 31, 2016
a	For Statutory Audit Fees	10	10
b	For Internal Audit Fees	2	5
c	Service Tax on above	2	1
		14	16

2.16 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, is not exceeding the threshold limit of Corporate Social Responsibility (CSR). Therefore, No need to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

2.17 As required by Schedule III of the Companies Act, 2013, Every company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

(Amount in Rs.)

Particulars	SBNs	Other Denomination Notes	Total
Closing balance in hand as on 08.11.2016	-	629	629
(+) Permitted Receipts	-	99	99
(+) Cash withdrawn from bank	-	3,000	3,000
(-) Permitted Payments	-	1,852	1,852
(-) Amount deposited into Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1,876	1,876

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

2.18 Earning Per Share

Sr. No	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
a	Net Profit after tax as per Statement of Profit and Loss (A)	(52)	(62)
b	Weighted average number of equity shares for calculating Basic EPS (B)	9,266,905	9,266,905
c	Weighted average number of equity shares for calculating Basic EPS (B)	9,266,905	9,266,905
d	Basic earnings per equity share (in Rupees) (face value of Rs. 25/- per share) (A) / (B)	(0.0056)	(0.0067)
e	Diluted earnings per equity share (in Rupees) (face value of Rs. 10/- per share) (A) / (C)	(0.0056)	(0.0067)

2.19 Related Party Transactions**a Key Management Personnel and their relatives:**

SI	Designation	Name
1	Director	Sanjay Meena
2	Managing Director	Damodar Ambadas Kulkarni
3	Chairman	Ravikant Chandradas Tupkar

b Enterprises over which the relatives of key management personnel exercise / significant influence:

SI	Particulars
1	Maharashtra State Textile Corporation Limited

c Transaction and balances with related parties have been set below:

(Rs. in '000)

Name of the Party and Nature of the Transaction	Transactions during the year		Closing Balance (Receivable) / Payable	
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016
1 Sanjay Meena				
a Remuneration	-	-	-	-
2 Damodar Ambadas Kulkarni				
a Remuneration	-	-	-	-
4 Ravikant Chandradas Tupkar				
a Remuneration	-	-	-	-

(Rs. in '000)

Name of the Party and Nature of the Transaction	Transactions during the year		Closing Balance	
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016
5 Maharashtra State Textile Corporation Limited	53	41	404,752	404,699

2.20 In the opinion of the Board of Directors, the Current Assets, Loans and Advances have a value on the realisation in the ordinary course of business at least equal to the amount at which they are stated.

2.21 Loans and Advances and Creditors are subject to reconciliation, confirmation and consequential adjustments if any.

2.22 Previous Year Comparatives

Previous year's figures have been regrouped or rearranged wherever necessary so as to conform to current year's presentation.

2.23 Pending Litigation :

The acquisition of Plot No. 216 having area of 9175.2 sq. meter owned by The Pratap Spinning, Weaving and Manufacturing Company Ltd., Amalner was approved by Collector, Jalgaon on the requisition of the Social Welfare Department for Prabuddha Backward Class Housing society, Amalner. The Land acquisition was awarded in September 1982. The award fixed by Special Land Acquisition Officer was not justified, as such; Pratap Mill had requested to enhance the award value. The court in July 2004 has decided the case in favour of the Pratap Mill and ordered that The Pratap Mill, Amalner is entitled to the additional compensation of Rs. 101 Thousand, in addition the Solatium @ 15 % on the additional compensation along with interest @ 9 % per annum on the additional compensation and solatium from the date of taking possession of the land till the date of deposit of enhanced compensation in the court. The Court also ordered that the Pratap Mill, Amalner is entitled for interest @ 9% on original award amount of Rs 1,88,000 from date of handing over of possession of land till date of deposit.

The total amount recoverable form Prabuddha Backward Class Housing Society, Amalner as on 31 December 2008 worked out to Rs. 566.66 Thousand. In this regard the collector Jalgaon has directed Tahasildar, Amalner to recover the compensation amount by adopting the procedure for Recovery of Land revenue. Accordingly, Prabuddha Backward Class Housing Society deposited in the court Rs.110 Thousand. Further, for recovery of the balance amount the Tahasildar, Amalner had arranged an auction on 14 July 2009 with an upset amount of Rs. 621 Thousand, however, the auction proceedings could not be completed as the Prabuddha Backward class Housing society has filed a civil suit against the auction sale. The said civil suit was decided in favour of the Pratap Mill in October 2011 (17, Oct.2011). The Prabuddha Backward class Housing society preferred appeal before appropriate court against the said order dated 17th Oct, 2011. Now the court has dismissed the appeal filed by Prabuddha Backward class Housing society on 04/04/2013. The matter is being pursued with Tahasildar, Amalner.

The total amount recoverable from Prabuddha backward Class Housing Society as on 31/03/2017 was worked out to Rs. 571 thousand (P. Y. 571 thousand). Since the Prabuddha Backward class Housing Society has deposited Rs.110 thousand in the court, Rs 461 thousand (Rs. 571 thousand Less Rs.110 thousand) is yet to be recovered.

For S. S. Dhamne & Co.
Firm Registration No.: 116232W

Chartered Accountants

Abhishek S. Dhamne
(Partner)
M. No.: 135108

(A L Kamble)
Consultant (F & A)
MSTCL

(Damodar Kulkarni)
Managing Director
DIN: 06989641

(Ravikant Tupkar)
Chairman
DIN: 07283198

Place : Pune Date :

Place : Mumbai Date :

For and on behalf of the Board of
**THE PRATAP SPINNING WEAVING AND MANUFACTURING COMPANY
LIMITED**