CIN NO.:- L17290GJ2005PLC046345

PRADIP OVERSEAS LTD.
Corporate Office : A/601, Narnarayan Complex, Swastik Cross Roads, Navrangpura, Ahmedabad - 380 009. Gujarat. INDIA.
Phone : 0091-79-26560630, 26431594 Fax : 0091-79-26420408
Website : www.pradipoverseas.com

26th September, 2020.

Corporate Relationship Department, BSE LIMITED 1ST Floor, New Trading Plaza, Rotunda Building, P.J. Towers, Dalal Street, Fort Mumbai - 400 001. **Scrip Code: 533178**	The Asst. Vice President, Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, BandraKurla Complex, Bandra (East) Mumbai - 400 051. **Scrip Symbol: PRADIP**

Dear-Sir,

Sub. : Submission of Annual Report for the financial year 2019-20

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Praddip Overseas Limited (the Company) for the Financial Year 2019-20 along with the Notice convening 15th Annual General Meeting of members of the Company, scheduled to be held on Tuesday October 20, 2020 at 01:30 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Kindly take the same on your record.

Thanking you,

Yours Faithfully,
For, PRADIP OVERSEAS LIMITED

PRADIP OVERSEAS LIMITED AHMEDABAD

Nigam Sathavara
(Company Secretary & Compliance Officer)
Membership No.:- A38915

Encl : As above

PRADIP OVERSEAS LTD.

15th ANNUAL REPORT 2019–20

CORPORATE INFORMATION

Board of Directors:
Shri Pradipkumar J. Karia
Shri Chetan J. Karia
Shri Vishal R. Karia
Shri J.S. Negi
Shri G.R. Kamath
Ms. Zalpa B. Rathod

Audit Committee :
Mr. Gurpur Ramdas Kamath
Mr. Jivansingh Negi
Mr. Pradip J. Karia
Ms. Zalpa Bakulsinh Rathod

Stakeholders Relationship Committee:
Mr. Jivansingh Negi
Mr. Gurpur Ramdas Kamath
Mr. Pradip J. Karia
Ms. Zalpa Bakulsinh Rathod

Nomination and Remuneration Committee:
Mr. Jivansingh Negi
Mr. Gurpur Ramdas Kamath
Ms. Zalpa Bakulsinh Rathod

Risk Management Committee:
Mr. Jivansingh Negi
Mr. Pradip J. Karia
Mr. Gurpur Ramdas Kamath
Ms. Zalpa Bakulsinh Rathod

Chief Financial Officer:
Mr. Vishal R. Karia

Company Secreatry:
Mr. Nigam Sathavara

Statutory Auditors:
M/s. Vijay Moondra & Co.,
Chartered Accountants,
(Registration No. 112308W)
201-202, 'Sarap'
Opp. Navjivan Press, Ashram Road,
Ahmedabad - 380 014.

Registered Office:
Plot No. 104, 105, 106,
Village : Chancharwadi Vasna,
Opp. Zydus Cadila, Sarkhej Bavla High Way,
Tal. Sanand Ahmedabad - 382
Gujarat, India.

Website:
www.pradipoverseas.com

Investor Services Email Id:
investor@pradipoverseas.com

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NOTICE

Notice is hereby given that the **15th** Annual General Meeting ("AGM") of the Members of **PRADIP OVERSEAS LIMITED** will be held on on Tuesday 20th October, 2020 at 01:30 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. Adoption of the Financial Statement

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2020 and the Reports of the Board of Directors and the Auditors thereon.

2. Re-appointment of Director retiring by rotation

To appoint a Director in place of Mr. Vishal Rameshbhai Karia [DIN: 00514884] who retires by rotation and being eligible, offers him self for re-appointment.

SPECIAL BUSINESS:

3. Re-Appointment of Mr. Pradipkumar Jayantilal Karia (DIN: 00123748) as Managing Director of the Company for the period of three years.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of Banks / Financial Institutions / Asset Reconstruction Company, the consent of the Company be and is hereby accorded to the terms of the re-appointment of Mr. Pradipkumar Jayantilal Karia (DIN:00123748) as Managing Director of the Company for a period of 3 (Three) years with effect from 1st September, 2020 to 31st August, 2023, on the terms and conditions of appointment and remuneration as set out in the explanatory statement annexed to the Notice and initiated by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and as recommended by the Nomination and Remuneration Committee and set out in the Explanatory Statement annexed hereto".

"**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors and Mr. Pradipkumar Jayantilal Karia."

4. Re-Appointment of Mr. Chetankumar Jayantilal Karia (DIN: 00191790) as Whole-time Director of the Company for the period of three years.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of Banks / Financial Institutions / Asset Reconstruction Company, the consent of the Company be and is hereby accorded to the terms of the re-appointment of Mr. Chetankumar Jayantilal Karia (DIN:00191790) as Wholetime Director of the Company for a period of 3 (Three) years with effect from 1st September, 2020 to 31st August, 2023, on the terms and conditions of appointment and remuneration as set out in the explanatory statement annexed to the Notice and initiated by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and as recommended by the Nomination and Remuneration Committee and set out in the Explanatory Statement annexed hereto".

NOTICE (Contd....)

"**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors and Mr. Chetankumar Jayantilal Karia."

5. **Re-Appointment of Mr. Vishal Rameshbhai Karia (DIN: 00514884) as Wholetime Director of the Company for the period three years.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

"**RESOLVED THAT** ppursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and pursuant to the recommendation of the Nomination and Remuneration Committee and subject to approval of Banks / Financial Institutions / Asset Reconstruction Company, the consent of the Company be and is hereby accorded to the terms of the re-appointment of Mr. Vishal Rameshbhai Karia (DIN:00514884) as Whole time Director of the Company for a period of 3 (Three) years with effect from 1st October, 2020 to 30th September, 2023, on the terms and conditions of appointment and remuneration as set out in the explanatory statement annexed to the Notice and initiated by Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and as recommended by the Nomination and Remuneration Committee and set out in the Explanatory Statement annexed hereto".

"**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as not to exceed the limits specified in the Schedule V to the Companies Act, 2013, as may be agreed by the Board of Directors and Mr. Vishal Rameshbhai Karia."

6. **To ratify / approve the related party transactions of the Company.**

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

"**RESOLVED THAT** pursuant to the provisions of section 188(1)(a) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force) and as subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board), to ratify / approve all existing contracts / arrangements / agreements / transactions and to enter into new / further contracts / arrangements / agreements / transactions (including any modifications, alterations or amendments thereto) for purchase and sale of goods with Astha Creations, a 'Related Party' within the meaning of the Act and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for aggregate amount not exceeding ₹ 50.00/- cr p.a. for a period of 5 years (from the financial year 2020-21 to 2024-25) as more particularly enumerated in the explanatory statement annexed to this notice on such terms and conditions as defined in the related party contracts.

"**RESOLVED FURTHER THAT** any one of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

NOTICE (Contd....)

7. To ratify / approve the related party transactions of the Company.

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

"**RESOLVED THAT** pursuant to the provisions of section 188(1)(d) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment thereof for the time being in force) and as subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of the Board), to ratify /approve all existing contracts / arrangements / agreements / transactions and to enter into new / further contracts / arrangements / agreements / transactions (including any modifications, alterations or amendments thereto) for rendering or availing services with Astha Creations, a 'Related Party' within the meaning of the Act and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for aggregate amount not exceeding ₹ 60.00/- cr p.a. for a period of 5 years (from the financial year 2020-21 to 2024-25) as more particularly enumerated in the explanatory statement annexed to this notice on such terms and conditions as defined in the related party contracts.

"**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

NOTES:

NOTICE (Contd....)

1. **In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 ("SEBI Circular"), has permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith.**

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC / OAVM are requested to send to the Company on the Email Id nigam@pradipoverseas.com, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through e-voting.

6. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a pre-requisite and pursuant to General Circular No. 14/2020 dated 8th April, 2020, General Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by General Circular No. 20/2020 dated 5th May, 2020, physical attendance of the Members is not required. Hence, Members will have to attend and participate in the ensuing AGM through VC / OAVM.

7. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e. www.pradipoverseas.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of Central Depository Services Limited (CDSL) at www.evotingindia.com.

8. Those members whose email id are not registered can get their email Id registered as follow:

   a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by contacting our Registrar & Transfer Agent alongwith details of folio number and attaching a self-attested copy of PAN card and the same to be forwarded on ahmedabad@linkintime.co.in.

   b) Members holding shares in demat mode are requested to register / update their email addresses with their respective Depository Participant.

9. Details as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as per Secretarial Standard-2, in case of the Directors seeking appointment/re-appointment at the Annual General Meeting, are furnished as annexure to the Notice. The Directors have furnished the consent/declarations for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.

10. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time

NOTICE (Contd....)

of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 Members on a first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

11. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to nigam@pradipoverseas.com or investor@pradipoverseas.com.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. Pursuant to the provisions of Section 91 of the Companies Act, 2013, read with Rule 10 of Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 42 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Register of members and share transfer books of the Company will remain closed from Tuesday, 13th October, 2020 to Tuesday, 20th October, 2020 (both the days inclusive).

14. Pursuant to Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in the prescribed Form No. SH-13 and for cancellation / variation in nomination in the prescribed Form No. SH-14 to the Registrar and Transfer Agent of the Company i.e. M/s Link Intime India Private Limited.

15. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send share certificates to Registrar & Share Transfer Agent of the Company, for consolidation into a single folio.

16. As per Securities and Exchange Board of India (SEBI) Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. With the said changes which came into effect from 1st April, 2019, Equity Shares of the Company shall be eligible for transfer only in dematerialized form. Therefore, the Members are requested to take action to dematerialize their physical Equity Shares of the Company promptly.

17. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (west), Mumbai - 400083. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. The Company or its RTA can't act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.

18. Members desiring any information relating to the accounts are requested to write to the Company at least 14 (fourteen) days before the AGM so as to enable the management to keep the information available at the AGM.

19. **Information and other instruction relating to E-voting:**

NOTICE (Contd....)

Voting through electronic means

A) In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and sub clause (1) & (2) of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide Members facility to exercise their right to vote at the 15th AGM by electronic means ("e-voting") and business may be transacted through remote e-voting services. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the agency to provide e-voting facility. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by CDSL.

B) The Members who have cast their vote by remote-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

C) The remote e-voting period commences on Saturday, 17th October, 2020 (9:00 IST) and ends on Monday, 19th October, 2020 (17:00 IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 13th October, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by a Member, a Member shall not be allowed to change it subsequently.

D) The process and manner for e-voting as mentioned below.

The Company has entered into the agreement with CDSL for facilitating remote e-voting for AGM. The members should follow the following steps to cast their votes electronically:

Voting Process:

(i) The Shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on "Shareholders" tab.

(iii) Now Enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. For Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "FORGOT PASSWORD" and enter the details as prompted by the system.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

NOTICE (Contd....)

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN **200905065** for the relevant 'PRADIP OVERSEAS LIMITED' for which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians:**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; nigam@pradipoverseas.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

NOTICE (Contd....)

Contact Details:
Mr. Rakesh Dalvi, Manager (CDSL),
Central Depository Services India Limited
A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds,
N M Joshi Marg, Lower Parel (East), Mumbai - 400013.
Tel : +91-22-23058542 or +91-22-23058543
Email id : helpdesk.evoting@cdslindia.com

20. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, October 13, 2020.

21. Any person, who acquires shares of the Company and become Member of the Company after dispatch of Notice of AGM and holding shares as of the cut-off date i.e Tuesday, October 13, 2020, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com.

22. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.

23. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

24. Mr. Ashish Shah (Membership no. FCS 5974), and proprietor of M/s. Ashish Shah & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting by electronic voting system and remote e-voting process in a fair and transparent manner.

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

26. The Chairman or any other Director authorized in this behalf shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the results of the voting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pradipoverseas.com and on the website of CDSL www.evotingindia.com immediately after the results are declared by the Chairman or any other Director so authorised. Simultaneously, the same will also be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

27. The resolutions shall be deemed to be passed on the date of the Meeting, subject to the same being passed with requisite majority.

28. **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ON E-VOTING SYSTEM:-**

    1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

    2. Only those shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

    3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

    4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

NOTICE (Contd....)

29. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC /OAVM:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
3. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
4. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at nigam@pradipoverseas.com. Only those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

NOTICE (Contd....)

ANNEXURE TO THE NOTICE

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

ITEM NO. 3

Resolution under item No. 3 of the Notice relates to the reappointment of Mr. Pradipkumar J. Karia as Managing Director of the Company for a further period of three years from 1st September, 2020 to 31st August, 2023 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 23rd July, 2020 had recommended the reappointment of Mr. Pradipkumar J. Karia as Managing Director of the Company and terms of remuneration payable to him for a period of three years from 1st September, 2020 to 31st August, 2023. The Board of Directors, as its meeting held on the 23rd July, 2020, had approved the same subject to approval of Shareholders of the Company and Banks / Financial Institutions / Asset Reconstruction Company. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Pradipkumar J. Karia effective from 01st September, 2020 to 31st August, 2023 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 23rd July, 2020 are as under:

Remuneration:

(a) Basic Salary:

₹ 5,00,000 /- (Rupees Five lacs)only per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as laid down under the Section 197 read with Schedule V of the Companies Act, 2013.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Managing Director.

CATEGORY - A

(i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY – B

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Managing Director at the entire cost of the Company.

Overall and Minimum Remuneration Limit:

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company for any one of Managing Directors and Whole time Directors and subject further to the overall limit of 10% of the annual net profit of the Company for all Managing Directors and Whole time Directors computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

NOTICE (Contd....)

The above mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole-time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made here after in this regard within the overall limits approved by the Company in General Meeting

Except Mr. Pradipkumar J. Karia, being an appointee, and Mr. Chetankumar J. Karia being his relatives, None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.3.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

The Board recommends the Special Resolution set out at item no. 3 of the Notice for approval by the Members.

ITEM NO. 4

Resolution under item No. 4 of the Notice relates to the reappointment of Mr. Chetankumar J. Karia as Whole Time Director of the Company for a further period of three years from 1st September, 2020 to 31st August, 2023 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 23rd July, 2020 had recommended the reappointment of Mr. Chetankumar J. Karia as Whole Time Director of the Company and terms of remuneration payable to him for a period of Three years from 1st September, 2020 to 31st August, 2023. The Board of Directors, as its meeting held on 23rd July, 2020, had approved the same subject to approval of Shareholders of the Company and Banks / Financial Institutions / Asset Reconstruction Company. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Chetankumar J. Karia effective from 1st September, 2020 to 31st August, 2023 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 23rd July, 2020 are as under:

Remuneration:

(a) Basic Salary:

₹ 4,00,000 /- (Rupees Four lacs)only per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as laid down under the Section 197 read with schedule V of the Companies Act, 2013.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Wholetime Director.

CATEGORY - A

(i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

CATEGORY – B

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Wholetime Director at the entire cost of the Company.

NOTICE (Contd....)

Overall and Minimum Remuneration Limit:

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company for any one of Managing Directors and Whole time Directors and subject further to the overall limit of 10% of the annual net profit of the Company for all Managing Directors and Whole time Directors computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole-time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made here after in this regard within the overall limits approved by the Company in General Meeting

Except Mr. Chetankumar J. Karia, being an appointee, and Mr. Pradipkumar J. Karia being his relatives, None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item NO.4.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

The Board recommends the Special Resolution set out at item no. 4 of the Notice for approval by the Members.

ITEM NO. 5

Resolution under item No. 5 of the Notice relates to the reappointment of Mr. Vishal R. Karia as WholeTime Director of the Company for a further period of three years from 1st October, 2020 to 30th September, 2023 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 23rd July, 2020 had recommended the reappointment of Mr. Vishal R. Karia as Whole-time Director of the Company and terms of remuneration payable to him for a period of three years from 1st October, 2020 to 30th September, 2023. The Board of Directors, as its meeting held on 23rd July, 2020, had approved the same subject to approval of Shareholders of the Company and Banks / Financial Institutions / Asset Reconstruction Company. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Vishal R. Karia effective from 1st October, 2020 to 30th September, 2023 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 23rd July, 2020 are as under:

Remuneration:

(a) Basic Salary:

₹ 3,00,000 /- (Rupees Three lacs)only per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, subject to maximum salary, per month as laid down under the Section 197 read with schedule V of the Companies Act, 2013.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Wholetime Director.

CATEGORY - A

(i) Company shall contribute toward provident fund/ Superannuation fund/ Annuity fund provided that such contribution either singly or put together shall not exceed tax free limit prescribed under the Income Tax Act.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Leave on full pay and allowances, as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Rule of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

NOTICE (Contd....)

CATEGORY – B

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Wholetime Director at the entire cost of the Company.

Overall and Minimum Remuneration Limit:

The Overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company for any one of Managing Directors and Whole time Directors and subject further to the overall limit of 10% of the annual net profit of the Company for all Managing Directors and Whole time Directors computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Wholetime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The abovementioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole-time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made here after in this regard within the overall limits approved by the Company in the General Meeting

Except Mr. Vishal R. Karia, being an appointee, None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act and in pursuance to the Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

The Board recommends the Special Resolution set out at item no. 5 of the Notice for approval by the Members.

ITEM NO. 6 & 7

Resolution under item No. 6 & 7 of the Notice relates to Related Party Transaction under section-188 of Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and as per the Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(including any statutory modification(s) or re-enactment thereof for the time being in force).

As per the aforesaid Section of the Companies Act, 2013 the Company is required to obtain consent of the Audit Committee and Board of Directors of the Company, and the said transactions shall require prior approval of the shareholders of the Company by Ordinary Resolution into the General Meeting of the Company. According to the Section 188 of the Companies Act, 2013 no company shall enter into contract or arrangement with related parties exceeding such limit as prescribed under the said act.

Provision of the Section 188 of the Company Act, 2013 and pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approval of members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis.

The transactions entered into by the Company with 'Astha Creations', a Partnership Firm (hereinafter referred to as 'Astha') falls under the definition of Section 2(76) of the Companies Act, 2013.

NOTICE (Contd....)

The Company has entered into contract or arrangement with 'Astha Creations' related to Sale, Purchase or supply of goods or materials and also engaged into transactions of availing or rendering services with the said firm. The Company has existing arrangements with Astha. However, the estimated value of transactions with Astha in tenure period up to next 5 years is likely to be exceeding the limit as specified under the Section 188 of the Companies Act, 2013 read with Rule 15 (Meetings of Board and its Powers) Rules, 2014 notified by Ministry of Corporate affairs as amended from time to time.

Particulars of contract(s)/arrangement(s) with Astha are mentioned as under.

The following disclosure(s) for rendering of any services to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, if any:

a) Name of the related party	**ASTHA CREATIONS (Partnership Firm)**
b) Name of the director or key managerial personnel who is related, if any;	1) Pradip J. Karia 2) Chetan J. Karia 3) Vishal R. Karia
c) Nature of relationship	A firm, in which partners are relative of directors as mentioned below. 1) Preet Karia, Partner is son of Shri Pradip J. Karia, Managing Director of the Company. 2) Sagar Karia & Siddharth Karia, Partners, both are sons of Shri Chetan J. Karia, Whole-time Director of the Company. 3) Bhakti Karia, Partner, is wife of Shri Vishal R. Karia, Whole-time Director of the company.
d) Nature, Material terms, monetary value and particulars of the contract or arrangement;	The Company has entered into transactions with Astha for Sale, Purchase or Supply of any Goods or materials and availing or rendering of any services.The terms of Contract or arrangement with Astha are ongoing basis.
e) Any other information relevant or important for the members to take a decision on the proposed resolution	Astha Creations is a Registered Partnership Firm (Reg. no. GUJAH100567) incorporated on 04th May, 2011. The said firm is firstly involved into trading of Bedsheets and other linen products. After few years, the said firm is on the path of expansion and now involved into production of aforementioned products.

Aforementioned transactions would require the approval of the members by way of Ordinary Resolution.

None of the Directors except Mr. Pradip Karia, Mr. Chetan Karia and Mr. Vishal Karia and their relatives are directly and indirectly concerned or interested in this resolution and none of the key managerial personnel of the Company except Mr. Pradip Karia, Mr. Chetan Karia and Mr. Vishal Karia and their relatives are directly or indirectly concerned or interested in this resolution set out in the item no. 6 & 7.

The Board recommends the Ordinary Resolution set out at item no. 6 & 7 of the Notice for approval by the Members.

NOTICE (Contd....)

STATEMENT AS REQUIRED UNDER CLAUSE (B) OF SECTION II OF SCHEDULE V TO THE COMPANIES ACT, 2013:

I GENERAL INFORMATION

1. Nature of Industry : Textile Industries
2. Date or Expected Date of Commencement of Commercial Production : In February, 2006
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial Performance Based On Given Indicators (As per audited financial statements for the year ended 31.03.2020)

Particulars	₹ in Lacs
Turnover including other income	4338.64
Total Expenses	5688.11
Profit/(Loss) Before Tax	(1349.47)
Profit/(Loss) After Tax	(3107.31)
Earnings Per Share	(6.41)
Dividend Rate	0.00

5. Foreign Investments or Collaboration if Any : Not Applicable

Note:- The details are mentioned above similar for all the three directors. (i.e. Mr. Pradip J. Kaira, Mr. Chetan J. Kaira, and Mr. Vishal R. Karia)

II INFORMATION ABOUT THE APPOINTEES :

Sr. No.	Particulars	Mr. Pradip J. Karia	Mr. Chetan J. Karia	Mr. Vishal R. Karia
1	Back Ground Details	He commenced his career in textile business in 1985. He established a partnership firm M/s. AnuImpex in the year 1993. M/s. Pradip Export was established in the year 1995 to carry on similar business. He started Home Linen Products by setting up of factory at Village Changodar, Ahmedabad. He has more than 32 years experience in retailing, marketing, business promotion and manufacturing of textile products, of which 22 years is in the Home Linen Products.	He was partner in M/s Vishal Textile which had subsequently got converted in to Chetan Textile in the year 2005 which is now known as Pradip Overseas Limited which manufactures narrow & wider width Home Linen Products. He has more than 29 years of experience. He was appointed as a Whole Time Director of Pradip Overseas Limited on 19th September, 2007.	He started his career in 2003 by joining as partner in M/s Vishal Textile, which has subsequently got converted into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. He has 17 years of experience in Home Linene Products manufacturing business, purchases and logistics. He plays a major role in production, purchase, logistics and other technical segments in the Company.
2	Past Remuneration	₹ 12,00,000/- per annum	₹ 9,00,000/- per annum	₹ 6,00,000/- per annum
3	Recognition or Awards	Nil	Nil	Nil
4	Job Profile	Working as Managing Director of the Company	Working as Whole time Director of the Company	Working as Wholetime Director and Chief Financial Officer of the Company
5	Remuneration Proposed	₹ 5,00,000/-per month	₹ 4,00,000/-per month	₹ 3,00,000/- per month

NOTICE (Contd....)

Sr. No.	Particulars	Mr. Pradip J. Karia	Mr. Chetan J. Karia	Mr. Vishal R. Karia
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	Considering the type of Industry, the trend in the industry, the size of the Company, the profile of Mr. Pradip J. Karia, the responsibilities shouldered by him and the Industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.	Considering the type of Industry, the trend in the industry, the size of the Company, the profile of Mr. Chetan J. Karia, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.	Considering the type of Industry, the trend in the industry, the size of the Company, the profile of Mr. Vishal R. Karia, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.
7	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:	He is a brother of Mr. Chetan Karia, Whole time Director of the Company	He is a brother of Mr. Pradip Karia, Managing Director of the Company	He is a nephew of Mr. Pradip Karia & Mr. Chetan Karia who are Executive Directors of the Company.

III OTHER INFORMATION

1. Reason for Inadequate Profit :- The major reason for inadequate profit were due to sluggish market conditions, international competition and shortage of working capital. Moreover, as the Company is facing crunch of working capital, the Company has put thrust on the job work which results in to lower turnover and lower profitability.

2. Steps taken or proposed to be taken for Improvement :-

   Due to shortage of working capital the Company has mainly depend upon the job work. The Management of the Company is taking corrective steps to increase the revenue by getting order from exports and other local consumers.

3. Expected increase in productivity and profits in measurable terms. :-

   Due to continuing effect of COVID-19, pandemic it has hampered the business of the Company badly and to recover from this situation it will take a time upto the completion of the Financial Year.

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

NOTICE (Contd....)

ANNEXURE

Details in terms of requirement of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per clause stipulated into Secretarial Standarad-2 in respect of Appointment/ Reappointment of Directors are given hereunder:

Sr. No.	Particulars	Mr. Pradip J. Karia	Mr. Chetan J. Karia	Mr. Vishal R. Karia
1	Reason for Change	Re-Appointment	Re-Appointment	Re-Appointment
2	Date of Appointment/Cessation	29th June, 2005	29th June, 2005	29th June, 2005
3	Brief Profile as mentioned below:-			
	a) Age	59 years	57 years	39 years
	b) Qualifications	B. Com	B. Com	B.B.A., PGDBA
	c) Nature of Expertise/Experience	He commenced his career in textile business in 1985. He established a partnership firm M/s. AnuImpex in the year 1993. M/s. Pradip Exports Was established in the Year 1995 to carry on similar business. He started Home Linen Products by setting up of factory at Village Changodar, Ahmedabad. He has more than 32 years experience in retailing, Marketing. business promotion and manufacturing of textile Products of which 22 years is in Home Linen Products.	He was partner in M/s Vishal Textile which had subsequently got converted into Chetan Textile in the year 2005 which is now known as Pradip Overseas Limited which manufactures narrow & wider width Home Linen Products. He has more than 29 years of experience. He was appointed as a Whole Time Director of Pradip Overseas Limited on 19th September, 2007.	He started his career in 2003 by joining as partner in M/s Vishal Textile, which has subsequently got convertred into Chetan Textiles Private Limited in the year 2005 which is now known as Pradip Overseas Limited. He has 17 years of experience in Home Linen Products manufacturing business, purchases and logistics. He plays a major role in production, purchase, logistics and other technical segments in the Company.
4	Relationship with other Directors and other Key Managerial Personnel of the Company	He is a brother of Mr. Chetan Karia, Whole Time Director of the Company.	He is a brother of Mr.Pradip Karia, Managing Director of the Company	He is a nephew of Mr. Pradip Karia, & Mr. Chetan Karia, who are Executive Directors of the Company.
5	Name of the Companies in which he holds Directorship/committee Membership	1. PRADIP ENTERPRISES LTD.	1. PRADIP ENTERPRISES LTD.	1. PRADIP ENTERPRISES LTD.
6	Shareholding	90,13,003 Equity Shares	90,12,976 Equity Shares	42,86,340 Equity Shares

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

DIRECTORS' REPORT

To the Members of Pradip Overseas Limited

Your Directors are pleased to present the Annual Report of the Company covering the operating and financial performance together with the Audited Financial Statements for the Financial Year ended on March 31, 2020.

1) FINANCIAL REVIEW:

The financial highlights of the Company during the period ended March 31, 2020 are as below:

[₹ In Lacs]

Particulars	F Y 2019-20	F Y 2018-19
Revenue From Operations	3808.07	9,634.34
Other Income	530.57	465.74
Profit/ (Loss) Before Depreciation, Finance Costs, Exceptional Items & Tax	**4338.64**	**10,100.08**
Expenditure other than Depreciation, Finance Cost, Exceptional Items	3705.63	8841.08
Less: Depreciation, Amortization & Impairment Loss	964.73	967.40
Less: Finance Cost	1017.75	859.08
Profit /loss before Exceptional items and Tax Expense	(1349.47)	(567.48)
Add/(less): Exceptional items	-	-
Profit (Loss) Before Tax	**(1349.47)**	**(567.48)**
Current Tax	-	-
Deferred Tax	1757.84	(2,278.33)
Non-Controlling Interest	-	-
Profit (Loss) for the period (1)	**(3107.31)**	**1,710.85**
Other Comprehensive Income (net of tax) (2)		
Items that will not be reclassified subsequently to profit or loss	3.60	7.58
Items that will be reclassified subsequently to profit or loss		-
Total Comprehensive income for the year (1+2)	**(3103.71)**	**1,718.43**
Balance of profit /loss for earlier years	(99,052.83)	(100,771.26)
Balance carried forward	**(102,156.54)**	**(99,052.83)**
Basic & Diluted Earnings per Share (₹ Per share)	(6.41)	3.53

2) GLOBAL HEALTH PANDEMIC FROM COVID-19:

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease, our offices and client offices all over the world have been operating with minimal or no staff for extended periods of time. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being.

Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model. Proactive preparations were done in our work locations during this transition to ensure our offices and training centers were safe.

We have extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios.

3) STATE OF COMPANY AFFAIRS:

The year under review was also critical year for the Company. The turnover of the Company was of ₹ 4338.64 lacs, which depicts a sharp penetrate into the turnover of the Company for the previous year 2018-19. During the year, the net loss of the Company was ₹ (3103.37) lacs. The major reasons for lower turnover were sluggish market conditions, international competition and shortage of working capital. Effluent Treatment Plant (ETP) is operative in full capacity and the performance is satisfactory.

DIRECTORS' REPORT (Contd....)

Moreover, as the Company is facing crunch of Working Capital, the Company has put thrust on the job work which results into lower turnover and lower profitability.

Further the management of the Company has taken some corrective steps to overcome the Company from this situation and they hope that in upcoming years would be beneficial for the Company and it would also possible that the Company repay its outstanding liabilities or settled their debts with banks and ARC. Meanwhile the Company had executed the one time settlement proposal with two banks i.e. State Bank of India (originally State Bank of Patiala) and Standard Chartered Bank. According the terms of the said agreement the Company has paid some portion of amount till the date and due to continuing effect of COVID-19, pandemic the Company has further approached to the banks for reconsideration of the terms of repayment schedule and to grant some moratorium period.

4) DIVIDEND:

Due to the insufficient profit during the year 2019-20, the directors have decided that it is not advisable to recommend dividend for the year 2019-20.

5) TRANSFER OF UNCLAIMED DIVIDEND AND EQUITY SHARES TO THE INVESTORS EDUCATION AND PROTECTION FUND:

Pursuant to provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) notified by Ministry of Corporate Affairs as amended from time to time, in terms of compliance of aforesaid section of the Companies Act, 2013, the Company has transferred Unpaid or unclaimed dividend to Investor Education and Protection Fund and equity shares in respect of the said dividend holders to IEPF Suspense account as opened with National Securities Depositories Limited during the year 2018-19. The details of the said unpaid dividend and equity share are mentioned as below.

Dividend for Financial Year	Unpaid/unclaimed Dividend Transferred (In Rs.)	No. of Equity shares transferred
2010-11	32141/-	9987

Details of such shareholders, whose shares are transferred to IEPF are available at the website of the Company viz. www.pradipoverseas.com. Members whose shares and unclaimed dividend, have been transferred to the IEPF Demat Account or IEPF Account, as the case may be, may claim the shares or apply for refund of dividend by making application to IEPF Authority in Form IEPF-5 (Available on http://www.iepf.gov.in) along with fee specified by the Authority from time to time in consultation with the Central Government.

Except the information has been furnished above, no unpaid or unclaimed dividend account is pending into the Company's unpaid or unclaimed divided account till the date for any respective years.

6) TRANSFER TO RESERVE:

The Company has not proposed to transfer any amount to any reserves of the Company.

7) MANAGEMENT DISCUSSION AND ANALYSIS:

As stipulated in the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report form part of this Annual Report as **Annexure - 6**.

8) CHANGE IN NATURE OF BUSINESS:

There is no change in the nature of business.

9) DEPOSIT:

The Company has not accepted or renewed any deposits since inception as covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure and reporting are required in respect of details relating to deposits covered under this chapter.

10) SHARE CAPITAL:

There was no change in the issued and subscribed capital of the Company. The paid-up Equity Share Capital of the Company as on 31st March, 2020 stands at ₹ 484401830 divided into 48440183 equity shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights or granted stock options or issued sweat equity.

DIRECTORS' REPORT (Contd....)

11) ENVIRONMENT, HEALTH AND SAFETY:

The Company accords utmost care to environment, health and safety (EHS) into its various department or operations.

- The Company has installed Effluent Treatment Plant at Changodar Factory.
- The Company has also concern for health and safety of the employees as well as contract workers who are associated and also provide the compensation during injury occurred into factory premises.
- The Company has prepared a Systematic Operating Procedures for work place and as per the terms and conditions as stipulated under the said SOP all worker, employee follows the code of conduct. The said SOP has been reviewed periodically by the Management of the Company.

12) HUMAN RESOURCES:

Human Resources play a crucial role into the development and success of any organization. HR department is also one pillar of the organization to achieve each and every goal of the Company.

As Pradip, We firmly believe that each milestone achieved by the Organization is an outcome of efforts, dedication and conviction demonstrated by its people.

We have also assisted into the developing the necessary skills and right attitude amongst the employees through training, development and performance appraisal etc.

13) DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES AMONGST THEM:

The Board of Directors consists of 6 members, of which three are Independent Directors. The Board also comprises of one woman Independent Director.

Pursuant to provision of Section 152 (6) of the Companies Act, 2013 Mr. Vishal Rameshbhai Karia, who has been longest in the office, retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 23rd July, 2020, have recommended and approved re-appointment of Mr. Pradipkumar J. Karia (DIN: 00123748) as Managing Director of the Company for the period of three years from 1st September, 2020 to 31st August, 2023, subject to approval of Members at the ensuring Annual General Meeting of the Company.

Further, the Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 23rd July, 2020, have recommended and approved re-appointment of Mr. Chetankumar J. Karia (DIN: 00191790) as Wholetime Director of the Company for the period of three years from 1st September, 2020 to 31st August, 2023, subject to approval of Members at the ensuing Annual General Meeting of the Company.

Further, the Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 23rd July, 2020, have recommended and approved re-appointment of Mr. Vishal R. Karia as Wholetime Director of the Company for the period of three years from 1st October, 2020 to 30th September, 2023, subject to approval of Members at the ensuring Annual General Meeting of the Company.

The details of training and familiarisation programme and Annual Board Evaluation process for Directors have been provided under the Corporate Governance Report. The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employees, forms part of the Corporate Governance Report of this Annual Report.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and not debarred or disqualified by the SEBI / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Director of the Company or any other Company where such Director holds such position in terms of Regulation (10)(i) of Part C of Schedule V of Listing Regulations. Company has obtained a Certificate to this effect, from Mr. Ashish Shah, Practicing Company Secretary.

DIRECTORS' REPORT (Contd....)

Key Managerial Personnel:

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the following are the Key Managerial Personnel of the Company:

1. Shri Pradip Karia: Chairman & Managing Director;
2. Shri Chetan Karia: Whole-Time Director;
3. Shri Vishal Karia: Chief Financial Officer & Whole-time Director;
4. Shri Nigam Sathavara: Company Secretary.

There is no changes in Key Managerial Personnel of the Company during the year under review.

14) MEETINGS OF BOARD OF DIRECTORS & COMPLIANCE TO SECRETARIAL STANDARDS:

The Board of Directors of the Company held 5 (Five) meetings and one meeting of the Independent Directors was held during the Financial Year 2019-20. The details of the Board meetings held during the year 2019-20 have been furnished in the Corporate Governance Report.

During the year under review, the Company has complied with the provisions of Secretarial Standard-1(relating to meetings of the Board of Directors) and Secretarial Standard-2 (relating to General meeting).

15) DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors to the best of its knowledge and ability, confirm that::

(a) In the preparation of the annual accounts for the financial year ended on March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) They 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 March 31, 2020 and of the profit and loss of the Company for that period;

(c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They had prepared the annual accounts on a going concern basis;

(e) They 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) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16) DETAILS OF COMMITTEE OF DIRECTORS:

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Board has constituted the following committees and the said committees have been restructured from time to time:

- ✓ Audit Committee
- ✓ Stakeholder's Relationship Committee
- ✓ Nomination and Remuneration Committee
- ✓ Risk Management Committee

Their composition, number of meetings held by each Committee during the financial year 2019-20 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report which forms part of this report.

The recommendation by the Audit Committee as and when made to the Board of Directors of the Company has been accepted by it.

DIRECTORS' REPORT (Contd....)

17) EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an **Annexure-1** to this Annual Report and also available on the website of the Company at https://www.pradipoverseas.com.

18) CORPORATE SOCIAL RSPONSIBILITY:

As per the review of the Profit & Loss Statement of the Company during the year, it's depicted ₹ (310,731,277) net loss of the Company.

Pursuant to the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force) are not applicable to the Company and therefore, it is neither required to disclose in the Board's Report of the Company nor required to constitute Corporate Social Responsibility Committee of the Company.

19) SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary or Joint Venture or Associate Company.

20) DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declaration from each Independent Directors confirming that they meet the criteria of Independence as prescribed under Section 149 (6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors are in compliance with the Code of Conduct prescribed under Schedule IV of the Companies Act, 2013.

21) POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:

The Nomination and Remuneration Committee has approved the Policy on Director's Appointment/re-appointment including criteria for determining qualification, positive attributes, independence of a director and policy relating to remuneration for Director, Key Managerial Personnel and other employees is as mentioned in this report.

- **Policy on Appointment of Directors:**

  The Company has followed the policy regarding appointment of Director as laid down in the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and good corporate practices.

- **Policy on remuneration of Directors:**

  Remuneration for Directors are based on the Shareholders resolution, provisions of the Companies Act, 2013 and rules framed therein, circulars and guidelines issued by the Central Government and other authorities from time to time.

  - Remuneration to the workers is based on the Contract with the Contractors keeping in view Minimum Wages payable to the workmen.
  - Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Other Employees is Industry Driven.

  The above policy is also available on the website of the Company at https://www.pradipoverseas.com.

22) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT U/S 186 OF THE COMPANIES ACT, 2013:

The particulars of the loan given, investment made, alongwith the purpose for which the loan or guarantee or security is proposed to be utilized by the recipients are provided in the financial statement. (Please refer to notes no. 7 of the Financial Statement.) The Company has not provided any securities or guarantees during the year under review.

23) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The details of related party transactions have been placed before the Audit Committee for review and approval. The said committee had given omnibus approval for related party transactions falling under the Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations.

The Company has entered into contracts or arrangements with related parties in the ordinary course of business and not at arm's length basis. Details as required under section 134 (3) (h) of the Companies Act, 2013 are appended herewith in the prescribed Form AOC-2, as **Annexure-2**, which forms part of this report.

DIRECTORS' REPORT (Contd....)

24) CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS:

Your Company fully complies with conditions of the Corporate Governance stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on compliance with the conditions of Corporate Governance and a certificate from firm of Practicing Chartered Accountants dated 23rd July, 2020 in this regard is annexed hereto and forms a part of the report. A Certificate of the CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed. Management discussion and analysis are attached, which form part of this report.

25) DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

(a) PARTICULARS OF THE EMPLOYEES :

There are no employees in the Company who are receiving remuneration in excess of the limit specified under section 197 (12) of the Companies Act, 2013 read with rule 5(1), (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and therefore, there is no information required to be given:

(b) ANALYSIS OF REMUNERATION:

Disclosure pertaining to remuneration and other details as required under section 197 (12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, as amended from time to time are forming part of this report as **Annexure no. 3.**

26) WHISTLE BLOWER & VIGIL MECHANISM:

The Company has established a "Whistle Blower and Vigil Mechanism Policy" for Directors and employees to report the genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Policy is available on the website of the Company. Weblink for the same is www.pradipoverseas.com/whistle_blower_policy2014-15.pdf.

27) INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorised, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated. The Internal Auditor of the Company has submitted reports on quarterly basis and the said reports were placed before the Board of Directors for review.

28) AUDITORS:

M/s. Vijay Moondra & Co., Chartered Accountants (Firm Registration No. 112308W/ M. No.-119398), Statutory Auditors of the Company were appointed by members of the Company in the Annual General Meeting of the Company held on 29th September, 2017 for a period of five consecutive years from the conclusion of the Annual General Meeting of the Company held in 2017 till the conclusion of the Annual General Meeting of the Company to be held in the year, 2022.

In the Board Meeting held on 13th August, 2019 M/s. Ashish Shah & Associates, Practicing Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2019-20.

29) SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ashish Shah & Associates, Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st March 2020, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **"Annexure 5"**.

DIRECTORS' REPORT (Contd....)

30) EXPLANATIONS / COMMENTS BY THE BOARD ON QUALIFICATIONS, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE AUDITOR / COMPANY SECRETARY IN PRACTICE IN THEIR REPORT:

(1) Reply on the Qualification/Comments of Statutory Auditors made by them in Audit Report:-

The Statutory Auditor has raised following qualification in his Audit Report:

Due to defaults in payment of bank loans, the Company's accounts have been classified as Non Performing Assets (NPA) by the banks. Most of the banks have not charged interest on the Company's borrowings / loans. During the period under audit, no provision has been made for such interest in the books of accounts of the company and to that extent bank's loan liability and total loss is understated by ₹ 9.18 Cr.

Reply to the Basis for qualified opinion:-

As per the RBI Guidelines in case, if the account is NPA banks should reverse the interest already charged and not collected by debiting Profit and Loss account, and stop further application of interest. However, banks may continue to record such accrued interest in a Memorandum account in their books. For the purpose of computing Gross Advances, interest recorded in the Memorandum account should not be taken into account. As the Banks are not taking in to account the interest recorded in Memorandum, the Company has not booked expenses of interest in the Books of the Company.

(2) Reply on the Qualification/Comments of Secretarial Auditors made by them in Secretarial Audit Report:-

There is no qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report issued by the Secretarial auditor of the Company.

31) FRAUDS REPORTED BY AUDITORS:

During the Year under review, no frauds were reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board.

32) MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013 AND STATUS OF THE SAME:

The Company has maintained proper cost records. However, provisions regarding the Cost Audit as specified by the Central Government under Sub Section (2) of Section 148 of the Companies Act, 2013 are not applicable to the Company.

33) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and out go, as required under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are set out in separate statement attached hereto as **Annexure-4** and forms part of this report.

34) RISK MANAGEMENT:

During the year, the Management of the Company had evaluated the existing Risk Management Policy of the Company. The Risk Management policy has been reviewed and found adequate and sufficient to the requirement of the Company. The Management has evaluated various risks and that there is no element of risk identified that may threaten the existence of the Company. Policy is available on the website of the Company. Weblink for the same is www.pradipoverseas.com.

35) ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

As per Section 134 (3) (p) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board of Directors of the Company has initiated and put in place evaluation of its own performance, its Committees and individuals. The result of the evaluation is satisfactory and adequate and meets the requirements.

DIRECTORS' REPORT (Contd....)

36) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

The outbreak of Coronavirus (COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel ban, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 31st, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities due to such material changes that has affect the financial position of the Company.

The State Bank of India (formerly known as State Bank of Patiala) ("financial creditor") has filed application bearing no. C.P. (IB) no. 20 of 2019 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the "Insolvency Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, into the NCLT, Ahmedabad, for initiation of corporate insolvency resolution process against the Company.

The Standard Chartered Bank has filed application bearing no. C.P. (IB) 221 of 2019 under 7 of the Insolvency and Bankruptcy Code, 2016 (the "Insolvency Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, into the National Company Law Tribunal, Ahmedabad for initiation of corporate insolvency resolution process against the Company.

Both the cases are sub-judice into the aforementioned tribunal for further hearing. Meanwhile the Company has approached to both the banks for reconsideration of payment schedule for settlement of outstanding dues of the Company.

Except mentioned above, there have been no material changes and commitments, affecting the financial position of the Company which have occurred during the financial year under review to which the financial statements relate and the date of the report.

37) SIGNIFICANT AND MATERIAL ORDERS:

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.

38) DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company believes in providing equal opportunity/ Affirmation Action. The Board has developed the Sexual Harassment Policy of the Company for safety of the women employees employed in the Company. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to sexual harassment at work place (Prevention, Prohibition and Redressal) Act, 2013.

39) APPRECIATION AND ACKNOWLEDGEMENTS:

The Board of Directors is pleased to place on record its appreciation for continued support received from all stakeholders including government and assistance received from the Banks, Government and employees and all those associated with the Company during the year under review.

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

Annexure - 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2020

[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:

1	CIN	L17290GJ2005PLC046345
2	Registration Date	29/06/2005
3	Name of the Company	PRADIP OVERSEAS LIMITED
4	Category/Sub-Category of the Company	Public Company limited by shares Non-Govt. Company
5	Address of the Registered office and contact details	A) Registered Office 104/ 105/ 106, Chacharwadi, Vasna, Opp. Zydus Cadila, Sarkhej-Bavla Highway, Changodar, Tal. Sanand, Ahmedabad - 382213. Ph : 9979850449 Email : nigam@pradipoverseas.com investor@pradipoverseas.com Web : www.pradipoverseas.com B) Corporate Office A/601, Narnarayan Complex, Swastik Cross Road, Navrangpura, Ahmedabad-380009. Ph: 079 26431594, 2656 0630. Email : nigam@pradipoverseas.com investor@pradipoverseas.com Web : www.pradipoverseas.com
6	Whether listed Company (Yes/No)	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083. Tel: +91 22 4918 6270 Email : rnt.helpdesk@linkintime.co.in Web : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Bed sheets	1392	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	NIL	–	–	–	–

DIRECTORS' REPORT (Contd....)

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 Share	Demat	Physical	Total	% of Total Share	
A. Promoters & Promoters Group									
(1) Indian									
a) Individual / HUF	2,57,92,519	-	2,57,92,519	53.25	2,57,92,519	-	2,57,92,519	53.25	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	—	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	**2,57,92,519**	**-**	**2,57,92,519**	**53.25**	**2,57,92,519**	**-**	**2,57,92,519**	**53.25**	**-**
(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 & Promoters Group (A)=(A)(1)+(A)(2)	**2,57,92,519**	**-**	**2,57,92,519**	**53.25**	**2,57,92,519**	**-**	**2,57,92,519**	**53.25**	-
B. Public Shareholding									
1. Institutions									
a) MutualFunds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) CentralGovt.	-	-	-	-	-	-	-	-	-
d) StateGovt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	—	-	-	-
f) InsuranceCompanies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
i) Any Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2. Central Government/ State Government(s)/ President of India									
3. Non Institutions									
a) Bodies Corp.									
i) Indian	44,48,958	-	44,48,958	9.18	43,65,638	-	43,65,638	9.01	(0.17)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	71,07,513	440	71,07,953	14.67	70,75,288	440	70,75,728	14.61	(0.06)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,01,37,292	-	1,01,37,292	20.93	1,04,25,611	-	1,04,25,611	21.52	0.59
c) NBFCs registered with RBI	**3,830**	-	**3,830**	**0.00**	**-**	**-**	**0.00**	**0.00**	**0.00**
d) Others(specify)	-	—	-	-	-	—	-	-	-
i) Clearing Member	1,82,903	-	1,82,903	0.38	27,188	-	27,188	0.06	(0.32)
ii) Non Resident Indian (Repat)	1,68,017	-	1,68,017	0.35	1,61,873	-	1,61,873	0.33	(0.02)
iii) Non Resident Indian (Non Repat)	22,508	-	22,508	0.05	16,647	-	16,647	0.03	(0.02)
iv) Hindu Undivided Family	5,63,502	-	5,63,502	1.16	5,62,278	-	5,62,278	1.16	0.00
v) IEPF	12,701	-	12,701	0.03	12,701	-	12,701	0.03	0.00
Sub-total(B)(2)+(B)(3):-	**2,26,47,224**	**440**	**2,26,47,664**	**46.75**	**2,26,47,224**	**440**	**2,26,47,664**	**46.75**	**0.00**
Total of Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**2,26,47,224**	**440**	**2,26,47,664**	**46.75**	**2,26,47,224**	**440**	**2,26,47,664**	**46.75**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total(A+B+C)	**4,84,39,743**	**440**	**4,84,40,183**	**100.00**	**4,84,39,743**	**440**	**4,84,40,183**	**100.00**	-

DIRECTORS' REPORT (Contd....)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRADIPKUMAR J. KARIA	90,13,003	18.61	18.61	90,13,003	18.61	18.61	0
2	CHETANKUMAR J. KARIA	90,12,976	18.61	18.61	90,12,976	18.61	18.61	0
3	VISHAL R. KARIA	42,86,340	8.85	8.85	42,86,340	8.85	8.85	0
4	BAKUL J. KARIA*	12,66,200	2.61	2.35	12,66,200	2.61	2.35	0
5	PRITESH J. KARIA*	7,50,000	1.55	1.55	7,50,000	1.55	1.55	0
6	AMITABEN P. KARIA*	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
7	ROOPABEN C. KARIA*	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
8	RAMESH J. KARIA*	3,90,000	0.81	0.81	3,90,000	0.81	0.81	0
	Total	**2,57,92,519**	**53.25**	**52.99**	**2,57,92,519**	**53.25**	**52.99**	**0**

* Promoter's Group

(iii) Change in Promoters' Shareholding (please specify, if there is no change)-
There is no change of shareholding of the promoters during the financial year.

Sl. No.		Shareholding at the beginning of the year 01/04/2019			Cumulative Shareholding during the year 31/03/2020			
		No. of shares	% of total shares of the company	% of Shares Pledged / Encum-bered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encum-bered to total shares	% change in share holding during the year
1	**PRADIPKUMAR J. KARIA**							
	At the beginning of the year	90,13,003	18.61	18.61	90,13,003	18.61	18.61	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	90,13,003	18.61	18.61	90,13,003	18.61	18.61	0
2	**CHETANKUMAR J. KARIA**							
	At the beginning of the year	90,12,976	18.61	18.61	90,12,976	18.61	18.61	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	90,12,976	18.61	18.61	90,12,976	18.61	18.61	0
3	**VISHAL R. KARIA**							
	At the beginning of the year	42,86,340	8.85	8.85	42,86,340	8.85	8.85	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	42,86,340	8.85	8.85	42,86,340	8.85	8.85	0

4	**BAKUL J. KARIA***							
	At the beginning of the year	12,66,200	2.61	2.35	12,66,200	2.61	2.35	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	12,66,200	2.61	2.35	12,66,200	2.61	2.35	0
5	**PRITESH J. KARIA***							
	At the beginning of the year	7,50,000	1.55	1.55	7,50,000	1.55	1.55	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	7,50,000	1.55	1.55	7,50,000	1.55	1.55	0
6	**AMITABEN P. KARIA***							
	At the beginning of the year	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
7	**ROOPABEN C. KARIA***							
	At the beginning of the year	5,37,000	1.11	1.11	537000	1.11	1.11	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	5,37,000	1.11	1.11	5,37,000	1.11	1.11	0
8	**RAMESH J. KARIA***							
	At the beginning of the year	3,90,000	0.81	0.81	3,90,000	0.81	0.81	0
	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):	NIL	NIL	NIL	NIL	NIL	NIL	0
	At the End of the year	3,90,000	0.81	0.81	3,90,000	0.81	0.81	0

* Promoter's Group

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

Sl. No.	Top Ten Shareholders	Shareholding Pattern at the beginning of the year 01/04/2019		Date wise Increase/ Decrease in Shareholding during the year			Shareholding pattern at the end of the year 31/03/2020	
		No. of Shares	% of total no. of shares of the Company	Date	No. of Shares	% of total shares of the Company	No. of Shares	% of total no. of shares of the Company
1	PRADIP PETROFILS PRIVATE LIMITED	30,70,303	6.3383				30,70,303	6.3383
	Transfer			09 Aug, 2019	(2142527)	(4.4230)	9,27,776	1.9153
	Transfer			06 Sep, 2019	2142527	4.4230	30,70,303	6.3383
	AT END OF THE YEAR						30,70,303	6.3383
2	GAURANG KANTHADBHAI KATARIYA	8,55,933	1.7670				8,55,933	1.7670
	Transfer			09 Aug. 2019	(589933)	(1.2179)	2,66,000	0.5491
	Transfer			30 Aug, 2019	588985	1.2159	8,54,985	1.7650
	AT END OF THE YEAR						8,54,985	1.7650

DIRECTORS' REPORT (Contd....)

Sl. No.	Top Ten Shareholders	Shareholding Pattern at the beginning of the year 01/04/2019		Date wise Increase/ Decrease in Shareholding during the year			Shareholding pattern at the end of the year 31/03/2020	
		No. of Shares	% of total no. of shares of the Company	Date	No. of Shares	% of total shares of the Company	No. of Shares	% of total no. of shares of the Company
3	SMC GLOBAL SECURITIES LIMITED	4,89,566	1.0107				4,89,566	1.0107
	Transfer			14 Jun, 2019	(360)	(0.0008)	4,89,206	1.0099
	Transfer			21 Jun, 2019	1,249	0.0026	4,90,455	1.0125
	Transfer			12 Jul, 2019	3,840	0.0079	4,94,295	1.0204
	Transfer			09 Aug, 2019	(3,840)	(0.0079)	4,90,455	1.0125
	Transfer			23 Aug, 2019	(4,300)	(0.0089)	4,86,155	1.0036
	Transfer			20 Sep, 2019	(3,000)	(0.0062)	4,83,155	0.9974
	Transfer			30 Sep, 2019	(41,413)	(0.0855)	4,41,742	0.9119
	Transfer			11 Oct, 2019	3,06,113	0.6319	7,47,855	1.5439
	Transfer			18 Oct, 2019	3,000	0.0062	7,50,855	1.5501
	Transfer			25 Oct, 2019	(450)	(0.0010)	7,50,405	1.5491
	Transfer			06 Dec, 2019	(2,990)	(0.0061)	7,47,415	1.5430
	Transfer			14 Feb, 2020	114	0.0002	7,47,529	1.5432
	Transfer			21 Feb, 2020	(114)	(0.0002)	7,47,415	1.5430
	Transfer			20 Mar, 2020	114	0.0002	7,475,29	1.5432
	AT THE END OF THE YEAR						7,47,529	1.5432
4	SHIRYANSH KUMAR JAIN	5,73,550	1.1840				5,73,550	1.1840
	Transfer			31 Dec, 2019	500	0.0011	5,74,050	1.1851
	AT END OF THE YEAR						5,74,050	1.1851
5	VIJAY GAJANAND SALHEKAR	5,45,700	1.1265				5,45,700	1.1265
	AT END OF THE YEAR						5,45,700	1.1265
6	MAHESH RAMDAS KANANI	4,12,670	0.8519				4,12,670	0.8519
	AT THE END OF THE YEAR						4,12,670	0.8519
7	ANIL CHANDRABHAN AGRAWAL	2,66,476	0.5501				2,66,476	0.5501
	AT THE END OF THE YEAR						2,66,476	0.5501
8	KARIA KAUSHIK BABULAL	2,22,300	0.4589				2,22,300	0.4589
	Transfer			17 May, 2019	(917)	(0.0019)	2,21,383	0.4570
	AT THE END OF THE YEAR						2,21,383	0.4570
9	SHIBA PRASAD DASH	1,76,500	0.3644				1,76,500	0.3644
	AT THE END OF THE YEAR						1,76,500	0.3644
10	ABDULRAUF ABDULKARIM SHAIKH	1,46,190	0.3018				1,46,190	0.3018
	Transfer			14 Feb, 2020	22276	0.0460	1,68,466	0.3478
	Transfer			21 Feb, 2020	(76)	(0.0002)	1,68,390	0.3476
	AT THE END OF THE YEAR						1,68,390	0.3476

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 48440183 Shares.
2. The details of holding have been clubbed based on PAN.
3. % of total Shares of the Company are based on the paid up Capital of the Company at the end of the Year.

*** Reason for change in the Shareholding is due to transfer of Shares.**

DIRECTORS' REPORT (Contd....)

(v) Shareholding of Directors and Key Managerial Personnel:

SN	For each of Directors and KMP	Shareholding at the beginning of the year 01/04/2019		Cumulative Shareholding during the year 31/03/2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A	**DIRECTORS**				
1.	**Pradipkumar J. Karia**				
	At the beginning of the year	90,13,003	18.61	90,13,003	18.61
	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):	NIL	NIL	NIL	NIL
	At the end of the year	90,13,003	18.61	90,13,003	18.61
2.	**Chetan J. Karia**				
	At the beginning of the year	90,12,976	18.61	90,12,976	18.61
	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):	NIL	NIL	NIL	NIL
	At the end of the year	90,12,976	18.61	90,12,976	18.61
3	**Vishal R. Karia**				
	At the beginning of the year	42,86,340	8.85	42,86,340	8.85
	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):	NIL	NIL	NIL	NIL
	At the end of the year	42,86,340	8.85	42,86,340	8.85
4	**Jivansingh Negi**				
	At the beginning of the year	68,206	0.14	68,206	0.14
	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):	NIL	NIL	NIL	NIL
	At the end of the year	68,206	0.14	68,206	0.14
5	**Zalpa Bakulsinh Rathod**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	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):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
B	**KEY MANAGERIAL PERSONAL**				
1	**Nigam G. Sathavara**				
	At the beginning of the year	50	-	50	-
	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):	NIL	NIL	NIL	NIL
	At the end of the year	50	-	50	-

DIRECTORS' REPORT (Contd....)

V Indebtedness :

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
(i) Principal Amount	14,261,417,684	-	-	14,261,417,684
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**14,261,417,684**	-	-	**14,261,417,684**
Change in Indebtedness during the financial year				
• Addition	45,072,123	-	-	45,072,123
• Reduction	-	-	-	-
Net Change	**45,072,123**	**-**	**-**	**45,072,123**
Indebtedness at the end of the financial year				
(i) Principal Amount	14,306,489,807	-	-	14,306,489,807
(ii) Interest due but not Paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**14,306,489,807**	**-**	**-**	**14,306,489,807**

VI Remuneration to Directors & Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Pradip Karia (Managing Director)	Chetan Karia (Whole-time Director)	Vishal Karia (Whole-time Director)	
1.	Gross salary	12,00,000	9,00,000	6,00,000	27,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission- as % of Profit-others, specify….	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**12,00,000**	**9,00,000**	**6,00,000**	**27,00,000**
	Ceiling as per the Act	**60,00,000**	**60,00,000**	**60,00,000**	

DIRECTORS' REPORT (Contd....)

B. Remuneration to Independent Directors :-

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Jivansingh Negi	Mr. Gurpur R. Kamath	Ms. Zalpa B. Rathod	
1	**Independent Directors**				
a.	Fees for attending Board/ Committee Meetings	60,000	60,000	60,000	1,80,000
b.	Commission	Nil	Nil	Nil	Nil
c.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**60,000**	**60,000**	**60,000**	**1,80,000**
2	**Other Non-Executive Directors**				
a.	Fees for attending Board/ Committee Meetings	Nil	Nil	Nil	Nil
b.	Commission	Nil	Nil	Nil	Nil
c.	Others, please specify	Nil	Nil	Nil	Nil
	Total (B)	Nil	Nil		Nil
	Total (A) + (B)	**60,000**	**60,000**	**60,000**	**1,80,000**

C. Remuneration to Key Managerial Personnel other than MD /WTD / Manager:-

Sr. No.	Particulars of Remuneration	Nigam Sathavara (Company Secretary)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,50,000	4,50,000
	(b) Value of perquisites u/s17(2) Income-tax Act,1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission- as % of profit - others, specify…	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	**4,50,000**	**4,50,000**
	Ceiling as per the Act	N.A.	N.A.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Sl. No.	Particulars	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 Punishment Compounding	NIL				
B.	**DIRECTORS** Penalty Punishment Compounding	NIL				
C.	**OTHER OFFICERS IN DEFAULT** Penalty Punishment Compounding	NIL				

For and on behalf of the Board of Directors
Pradip Overseas Limited

Sd/-
(Pradip J. Karia)
Managing Director
DIN: 00123748

Sd/-
(Vishal Karia)
Whole Time Director & CFO
DIN: 00514884

Place : Ahmedabad
Date : 23rd July, 2020

ANNEXURE -2

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.

Sr. No.	Particulars	Details	Details
a)	Name (s) of the related party & nature of relationship	ASTHA CREATIONS (A firm, in which partners are relative of directors)	ASTHA CREATIONS (A firm, in which partners are relative of directors)
b)	Nature of contracts/arrangements/transaction	Sale, Purchase or Supply of any Goods or Materials	Availing or Rendering Services including Job work
c)	Duration of the contracts/arrangements/transaction	For the period of 5 years	For the period of 5 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per the general term and conditions of sale/purchase, the value of transactions shall not be exceeding ₹ 50.00 cr. p.a.	As per the general term and conditions of sale/purchase, the value of transactions shall not be exceeding ₹ 60.00 cr. p.a.
e)	Justification for entering into such contracts or arrangements or transactions'	For the expansion of business of the Company it is required to enter into contracts or arrangement with Astha Creations	For the expansion of business of the Company it is required to enter into contracts or arrangement with Astha Creations
f)	Date of approval by the Board	23rd July, 2020	23rd July, 2020
g)	Amount paid as advances, if any	NIL	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	30th September, 2019	30th September, 2019

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Date of approval by the Board	-
f)	Amount paid as advances, if any	-

By Order Of the Board of Directors
FOR, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN: 00123748

Place: Ahmedabad
Date: 23rd July, 2020

ANNEXURE - 3 TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENTS RULES, 2016

1. Ratio of remuneration of each Director to median remuneration of the employees of the Company for the financial year 2019-20.

Sr. No.	Name of Directors/KMP	Designation	Ratio of remuneration of Director to median remuneration of employees	% increase in remuneration in the financial year
			2019-20	2019-20
1.	Mr. Pradipkumar J. Karia	Managing Director	4:1	-
2.	Mr. Chetan J. Karia	Whole time Director	3:1	-
3.	Mr. Vishal R. Karia	Whole time Director	2:1	-
4	Mr. JivansinghNegi	Independent	0.2:1	-
5	Mr. Gurpur Ramdas Kamath	Independent	0.2:1	-
6	Ms. Zalpa Bakulsinh Rathod	Independent	0.2:1	-
7	Mr. Nigam G. Sathavara	Company Secretary	N.A.	-

2. **Percentage increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary:**

   There is no increase in remuneration of each Director, President, Chief Financial Officer and Company Secretary during 2019-20 and therefore there is nothing to disclose.

3. **There is no increase in median remuneration of employees in the financial year.**

4. **The number of permanent employees on the rolls of the Company as on 31st March, 2020 were 103**.

5. **Average percentile increase already made in Salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile in the increase in the Managerial Remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the Managerial Remuneration.**

   - The Company has not increased salary of the Employees of the Company other than Key Managerial Personnel of the Company during the year under review.
   - Average Increase in remuneration of KMP: NIL
   - KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

6. **Affirmation that the remuneration is as per the Remuneration Policy of the Company.**

   The Company affirms that the remuneration payable to Directors and Employees of the Company are as per the Remuneration Policy of the Company.

   The statement containing details of remuneration of top ten employees of the Company will be made available on request received from the members on nigam@pradipoverseas.com.

By Order Of the Board of Directors
FOR, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN: 00123748

Place: Ahmedabad
Date: 23rd July, 2020

ANNEXURE - 4 TO THE DIRECTORS' REPORT

[Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

Particulars of Energy Conservation, Technology absorption and foreign exchange Earning and out go required under Companies (Accounts) Rules, 2014.

I CONSERAVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

All possible measures are being taken on regular basis for conservation of energy. The manufacturing units of the Company have taken various initiatives for saving energy consumption. Best practices and bench marking parameters are implemented into manufacturing unit.

(ii) The steps taken by the company for utilising alternate sources of energy:

At present no additional investment has been made and there is no proposal on hand in this respect.

(iii) The capital investment on energy conservation equipments:

No investment has been made and therefore there is nothing to comment.

II RESEARCH AND DEVELOPMENT

The Company has its own laboratory where the product design development work is being carried out.

III TECHNOLOGY ABSORBTION, ADOPTION AND INNOVATION:

(i) The efforts made towards technology absorption:

The Company has adopted the best technology available in the world for manufacturing the products.

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

- Cost reduction
- Improvement in equipment efficiency and productivity
- Product improvement

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

The details of technology imported	Technology import from	Year of import	Status implementation / absorption
-	-	-	-

IV POWER AND FUEL CONSUMPTION:

Sr. No.	Particular	2019-20	2018-19
(A) (1)	**Electricity**		
	Purchase		
	Unit Nos.	55,04,976	68,63,023
	Total Amt. (₹ In Lacs)	457.60	528.30
	Rate Per Unit (₹)	8.31	7.69
(2)	**Own Generation**		
	Through Diesel Generation Set	106901	32,896
	Unit Per Liter of Diesel Oil	3.60	3.63
	Cost Per Unit	19.76	17.70
(B) Consumption of Electricity in unit for per Unit of Production		0.24	0.18

DIRECTORS' REPORT (Contd....)

V FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Details of Foreign Exchange Earnings and out-go are as under.

(₹ In Lacs)

Particulars	2019-20	2018-19
a) Earnings	NIL	3.61
b) Outgo	NIL	18.17

By Order Of the Board of Directors
FOR, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN: 00123748

Place: Ahmedabad
Date: 23rd July, 2020

ANNEXURE - 5 TO THE DIRECTORS' REPORT

Form No. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
PRADIP OVERSEAS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pradip Overseas Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA")and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent of their applicability to the Company;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

DIRECTORS' REPORT (Contd....)

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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

We further report that during the audit period there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Ahmedabad
Date: 23rd July, 2020

For, Ashish Shah& Associates

Sd/-
Ashish Shah
Company Secretary in practice
FCS No. 5974
C P No.: 4178
UDIN: F005974B000493934

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

DIRECTORS' REPORT (Contd....)

Annexure A

To,
The Members
Pradip Overseas Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 23rd July, 2020

For, Ashish Shah& Associates

Sd/-
Ashish Shah
Company Secretary in practice
FCS No. 5974
C P No.: 4178
UDIN: F005974B000493934

ANNEXURE - 6 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2020.

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

As you aware that the Company is mainly engaged into the manufacturing of textile products i.e. Bed Sheets and other linen products. There are so many outside factors affect the industry structure such as National Election in the country, crunch of capital in the market, uncertainty of the political future of our country. We aware about the current textile industry condition into the Country. There are incentive plan adopted by the Government to enhance the level of textile industry. In the textile industry we have to change product design, style, according to the need and perception of the consumers. After the passing of few times, their views have been change regarding design, style, texture of product and therefore, the industry has also change its product pattern to satisfy the desire of clients. Pradip (the Company) is also focus on the customer satisfaction and updates into the products according the need of clients. In spite these challenges the Company is managed to have accurate performance which is marginally lower than the previous year.

2. OPPORTUNITIES AND THREATS:

According to the report of International Monetary Fund (IMF) that the world will slip into a recession in 2020 over COVID-19, pandemic led lockdown and resulting suspension of economic activity. The textile industry of India is already on penetrating level before the effect of COVID-19 pandemic and due to the spread of the said disease it's create situation worse. Despite these we accepted new challenges and focus on the growth of the Company. We strongly believe that upcoming years better for the Company as compare to the current situation. We have concentrated also on overseas market along with local market of the Country.

3. SEGMENT WISE PERFORMANCE:

The company is engaged only in one segment i.e. Textile. The product of the Company has been well accepted in the market. The Company is manufacturing wide range of the bed sheet and other linen products with attractive design & finishing. However, it has customer in India as well as Overseas market and therefore, the segment based on geographical location of its customer mentioned as below:

Particulars	Within India		Outside India		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale/Income From operations	3808.07	9,630.73	-	3.61	3808.07	9,634.34
TOTAL	**3808.07**	**9,630.73**	**-**	**3.61**	**3808.07**	**9,634.34**

4. OUTLOOK:

The Company has put thrust on Development of new activities and maintaining the quality of the products and cost cuttings. During past few years, various initiative or creative steps have been taken by the management of the Company for the development of product, technology upgradation, develop skills and expertise of the workers and such other steps to give the positive outcome for bright future of the Company.

Meanwhile, the outbreak of COVID 19 pandemic globally and in India is carrying significant disturbance and slowdown of economic activity. COVID19 has caused interruption in production, supply chain disruption, unavailability of personnel, etc. during last week of March 2020 and thereafter. The year has started with the negative effects of the COVID19 pandemic with businesses facing temporary shutdowns and vanishing demand due to lockdowns globally and in India. The management of the Company will expect that it will take 1 year period to come over from this tide situation.

5. RISKS AND CONCERNS:

Due to volatility into the price of grey cloth the operating expenses are uncertain. It is also difficult for the Company to compete the Company's product into the International market. Beside aforementioned risk such other factor also affect the productivity of the Company such as technology upgrade, changes into trends into market related to product, obstacle for continuous power supply, discharge of effluent water.

DIRECTORS' REPORT (Contd....)

The company has conversant with all these risk factors and they have taken some measure to mitigate the same on continuous basis. The company also focuses on its commitment towards the protection of environment and increasing awareness amongst all the stakeholders of the Company.

The spread of Covid-19 and the resultant lockdowns imposed by the authorities will have impact on some of the businesses of the Company, more particularly the franchised distribution business. Foreseeable business impacts are: (a) reduction in demand for products; (b) reduced collection efficiency causing non-collection of outstanding dues; (c) incurrence of costs on labour and employees not fully utilised; and (d) regulatory response to the pandemic causing reduction in profits. There could be several other unforeseeable impacts, as the pandemic situation evolves.

6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

[₹ In Lacs]

Particulars	F Y 2019-20	F Y 2018-19
Revenue From Operations	3808.07	9,634.34
Other Income	530.57	465.74
Profit/ (Loss) Before Depreciation, Finance Costs, Exceptional Items & Tax	**4338.64**	**10,100.08**
Less: Depreciation, Amortization & Impairment Loss	964.72	967.40
Profit /loss before Finance Costs, Exceptional items and Tax Expense	(331.72)	291.59
Less: Finance Cost	1017.75	859.08
Profit /loss before Exceptional items and Tax Expense	(1349.47)	(567.48)
Add/(less): Exceptional items	-	-
Profit (Loss) Before Tax	**(1349.47)**	**(567.48)**
Current Tax	-	-
Deferred Tax	1757.84	(2,278.33)
Non-Controlling Interest	-	-
Profit (Loss) for the period (1)	**(3107.31)**	**1,710.85**
Other Comprehensive Income (net of tax) (2)		
Items that will not be reclassified subsequently to profit or loss	3.60	7.58
Items that will be reclassified subsequently to profit or loss		-
Total Comprehensive income for the year (1+2)	**(3103.71)**	**1,718.43**
Basic & Diluted Earnings per Share (Rs. Per share)	(6.41)	3.53

DIRECTORS' REPORT (Contd....)

The following table set forth key financial ratios with brief explanation on changes, relevant.

Particulars	2019-20	2018-19	% of change as compared to previous year	Details explanations for change
Debtor Turnover	0.23	0.58	60%	Due to decreased into the sales of the Company as compared to previous year.
Inventory Turnover	0.69	0.19	265%	The revenue of the Company has been decreased against the inventory stock and due to that reason it's effect on the inventory.
Interest Coverage Ratio	(32.59)	0.34	-	The liabilities of the interest are increased as compared to previous year but there is sharp fall in in revenue from operations. Due to that reason it vast changes of interest coverage ratio as compare to previous year.
Current Ratio	6.71	5.64	-	N.A
Debt Equity Ratio	(1.67)	(1.72)	-	N.A
Operating Profit Margin (%)	(8.71)	3.03	387%	The depreciation liabilities as well as other expenses are largely impact on the earnings before the interest and tax. Meanwhile the revenue from operations are more down as compare to previous year.
Net Profit Margin (%)	(35.44)	(5.89)	500%	The revenue from operations has been decreased and burden of interest as well as liabilities of other expenses are high as compared with net profit.
Return on Net Worth (%)	1.57	0.68	130%	Due to sharp fall in net profit and increase in networth.

8. DEVELOPMENT IN HUMAN RSOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE:

The company's manufacturing activities carried out at Changodar Factory during the entire year.

Industrial relations have been conductive and cordial at factory. At the end of the year the total no. 103 employees are on permanent basis and other unskilled contract workers are working at the factory as per the requirement of production department.

The due care is being taken to ensure the good health of the employees in and around the areas of the factory of the Company. All due care is being taken to keep the clean environment in the factory of the Company.

9. CAUTIONERY STATEMENT:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

By Order Of the Board of Directors
For, PRADIP OVERSEAS LIMITED

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

CORPORATE GOVERNANCE REPORT

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Pradip Overseas Limited (PRADIP).

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Pradip Overseas Limited strives to adopt the highest standards of excellence in Corporate Governance. We strongly believe that corporate governance accompanies our long–term business success. The principles of Good Corporate Governance are based on promoting and maintaining integrity, transparency and accountability. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz., the Board of Directors, the senior management, employees, etc. The Company has consistently practiced good Corporate Governance norms for the past several years for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates.

The Board of Directors ('the Board') emphasizes and aims in achieving highest standards in Corporate Governance by creating professional beliefs and values, timely disclosures, transparent accounting policies, responsibility and fairness in all its operations and business. Its endeavor is to maximize the long term value of the stakeholders of the Company and to protect the interests of its stakeholders. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe. The Company's policy on Corporate Governance is to attain high degree of transparency in disclosures across all the levels of stakeholder engagement, which are periodically complied with the regulatory requirements with the Stock Exchanges. It also aims to create long term value for all the shareholders in the Company.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time as contained in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which are given below.

The Company's Corporate Governance philosophy is reflected in the following key areas of the Company's approach to business and its stakeholders.

2. THE BOARD OF DIRECTORS:

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management Committee of the Company is headed by the Managing Director and has business/ functional heads as its members, which look after the management of the day-to-day affairs of the Company.

A. Composition and Category of the Board:

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

At the year end, the details of composition of Board of Directors are as mentioned below.

a. Composition of the Board as on 31st March, 2020.

Category	No. of Directors
Executive Directors	3
Non-Executive Independent Directors (including Woman Director)	3
Total	**6**

Note:

1. All the Independent Directors have, in terms of Section 149(7) of the Act given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. These declarations have been placed before the Board.

2. During the year, the Company has
   - Re-appointed Mr. Jivansingh Gangasingh Negi (DIN : 016556455) as an Independent Director w.e.f. 28th May, 2019 for a second term of five years.
   - Re-appointed Mr. Gurpur Ramdas Kamath (DIN:02234255) as an Independent Director w.e.f. 28th May, 2019 for as second term of five years.

The aforementioned composition is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the directors of the Company have submitted the Disclosure of interest in form MBP-1 and also confirmed that they are not debarred or disqualified from being appointed or continuing as Directors of the Company as per conditions stipulated under Section 164 of the Companies Act, 2013.

The Board of Directors confirmed that in their opinion the Independent Directors fulfilled the conditions specified in the Regulation and are Independent of the Management.

B. Number of Board Meetings:

As per the Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and refer to the Section 173 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and also refer the Secretarial Standard-1, the Board of Directors meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business.

The notices of Board/Committee meetings are circulated well in advance at least 7 days prior to the date of board meeting to all the directors and to ensure meaningful participation in the meetings. The Agenda of Board/Committee meeting is prepared by the Company Secretary in consultation with Chairman and Managing Director and the Chief Financial Officer of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in the Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. The requisite quorum was present in all the meetings.

During the financial year 2019-20, five Board Meetings were held on 28th May, 2019, 13th August, 2019, 14th November, 2019, 05th December, 2019 and 13th February, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

The attendance of each of Directors at the Board Meetings and Annual General Meetings held during the year under review, are as under:

Name of the Directors	Designation	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. Pradip J. Karia	Promoter, Chairperson, Executive and Managing Director	5	5	YES
Mr. Chetan J. Karia	Promoter, Whole-time and Executive Director	5	5	YES
Mr. Vishal R. Karia	Promoter, Whole-time and Executive Director	5	5	YES
Mr. Jivansingh G. Negi	Non-Executive and Independent Director	5	5	YES
Mr. Ramdas Gurpur Kamath	Non-Executive and Independent Director	5	4	YES
Ms. Zalpa Bakulsinh Rathod	Non-Executive and Independent Director	5	4	NO

C. Directors' attendance record and details of Directorships/Committee Positions held:

As mandated by Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, none of the Directors are members of more than ten Board and Committees or Chairman of more than five Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions from time to time. The details of each Member of the Board along with number of Directorship(s)/ Committee membership(s) held by them, along with all other requisite information are provided herein below as on 31st March, 2020:

Name of the Director	Category	No. of Directorships in other companies	Memberships and Chairmanship of the Committees in other companies		Directorship in other listed entities	
			Member	Chairperson	Name of Entity	Category
Mr. Pradip J. Karia	Promoter, Chairman and Managing Director	1		-	-	-
Mr. Chetan J. Karia	Promoter, Whole Time Director	1	-	-	-	-
Mr. Vishal R. Karia	Promoter, Whole Time Director, Chief Financial Officer	1	-	-	-	-
Mr. Jivansingh Negi	Non-Executive Director and Independent Director	-		-	-	-
Mr. Gurpur Ramdas Kamath	Non-Executive Director and Independent Director	2	1	-	NIRAJ CEMENT STRUCTURALS LIMITED	Non-Executive, Independent Director
Ms. Zalpa Bakulsinh Rathod	Non- Executive Director and Independent Director	-	-	-	-	-

Notes:

1. For the purpose of considering the above numbers all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act. Further, it includes only the Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.
2. All the Directors meet the criterion laid down in the Act and the Listing Regulations, vis-à-vis, independence, number of directorship in other companies, Memberships/ Chairmanships of committees across all public companies in which he is a Director. Necessary disclosures in this respect as on March 31, 2020 have been made by the Directors.

D. Disclosure of relationships between directors inter-se:

The executive directors of the Company are relatives of other directors according to the terms of definition mentioned under sub-section (77) of section 2 of the Companies Act, 2013.

Mr. Pradip J. Karia is brother of Mr, Chetan J. Karia who is whole-time Director of the Company.

Mr. Chetan J. Karia is brother of Mr. Pradip J. Karia who is Chairman & Managing Director of the Company.

Mr. Vishal R. Karia is nephew of Mr. Pradip J. Karia and Mr. Chetan J. Karia who are executive directors of the Company.

Non-executive directors have no relationship with any directors of the Company.

E. Details of Equity Shares held by the Non-Executive Directors:

Details of Equity Shares held by Non-Executive Directors as on March 31, 2020.

Name of Directors	Number of Equity Shares
Mr. Jivansingh Negi	68206
Mr. Gurpur Ramdas Kamath	NONE
Ms. Zalpa Bakulsinh Rathod	NONE

G. Familiarization Programmes for Board Members:

The Familiarization Program for Board members comprises the following.

- Induction program for New Independent Directors
- Immersion session on business and functional issues
- Business Strategy Planning

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. The induction program is an exhaustive one that covers the history and culture, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

The independent directors are also inducted through the factory and market visits to understand the operations and business of the Company and also know cut throat competition of the market.

In the Board meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Independent Directors.

In the Business Strategy Meeting held by the Company during March, 2020 which continues half hour, the Independent Directors were familiarized with the strategy, operations, performance of the Company for the financial year 2019-20. The Independent directors have shared their experience and have given ideas for the better progress of the Company and also prepared the strategy to overcome with current situations of the Company for the bright future.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2019-20, the Independent Directors have been updated on the developments in the Company and the Company's performance. Beside the above stipulations, the Directors are also given an update on the environmental and social impact of the business, corporate governance, regulatory developments and investor relations matters.

The details of the familiarization program for Independent Directors are available on the web-link at http://www.pradipoverseas.com/familiarization_program.pdf

H. Board membership criteria

The Company inducts eminent individual from diverse fields as directors on its Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the Company, and ability to contribute to the Company's growth.

I. Separate Meeting of Independent Directors:

All Independent Directors of the Company have submitted declaration under 149(6) of the Companies Act, 2013 and fulfill the criteria as mentioned under Listing Regulations. As stipulated under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of independent directors of the Company serve as an Independent Director in more than 7 Listed Companies and where Director is serving as a Whole –Time Director in any listed Company, such Director is not serving as an Independent Director in more than three listed Companies. According to Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 28th May, 2019 without the attendance of non-independent directors and members of management.

The independent Directors had reviewed on the following matters:

i. Review the performance of Non-independent Directors (including the Chairman) and the Board as whole.

ii. Reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

iii. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Attendance Record of Meetings of Independent Directors:

Name of the Directors	Number of Meeting Held	Number of Meeting attended
Mr. Ramdas Gurpur Kamath	1	1
Mr. Jivansingh Negi	1	1
Ms. Zalpa Bankulsinh Rathod	1	1

J. Board Independence

Three Directors out of Six Directors of the Company are Independent Directors as per the criteria specified in the Listing Regulations and the Companies Act, 2013 (As amended). All Independent Directors make annual disclosure of their Independence to the Company. None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee and commission as an Independent Director.

Further, no Independent Director has resigned before the expiry of the tenure during the year.

In opinion of the Board of Director of the Company, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

K. Key Board Qualifications, Expertise and Attributes:

Skills / Expertise / Competencies	Detail for such Skills / Expertise / Competencies
Strategic Leadership	Vital leading Experience to think strategically, with an understanding of organizational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.
Industry Experience	Experience and/or knowledge of the industry in which the Company operates.
Financial Expertise	Qualification and/or experience in accounting and/or finance coupled with ability to analyze key financial statements; critically assess financial viability and performance; contribute to financial planning; assess financial controls and oversee capital management and funding arrangements.
Governance, Risk and Compliance	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and compliance frameworks, identifying and monitoring key risks.
Corporate Governance & ESG	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company and protecting stakeholders' interest.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.
Diversity	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective.

CORPORATE GOVERNANCE REPORT (Contd....)

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Directors	Areas of skills/Expertise						
	Strategic Leadership	Industry Experience	Financial Expertise	Governance, Risk and Compliance	Corporate Governance & ESG	Technology & Innovations	Diversity
Mr. Pradip J. Karia	√	√	√	√	√	√	√
Mr. Chetan J. Karia	√	√	√	√	√	√	√
Mr. Vishal R. Karia	√	√	√	√	√	√	√
Mr. Jivansingh Negi	√	√	√	√	√	√	√
Mr. Gurpur Ramdas Kamath	√	√	√	√	√	-	-
Ms. Zalpa B. Rathod	-	√	√	√	√	-	-

CODE OF CONDUCT:

The Company has implemented code of conduct for best ethical business practice for the members of the Board and Senior Management Personnel of the Company. The Company has framed a comprehensive code of conduct applicable to all employees of the Company and Non- Executive Directors including Independent Directors.

During the year, the Company has revised the Code of Conduct due to requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The said policy has been put on the Company's website (www.pradipoverseas.com). The code of conduct has been affirmed by all the members of Board and Management Personnel of the Company on annual basis.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46 (2) of the Listing Regulations.

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect, signed by the Company's Chairman and Managing Director is attached and forms part of this Report.

✦ **Committees of Board:-**

The Committees of Board also play vital role in the Corporate Governance of the Company. The Company has constituted four committees as per the requirement of the Companies Act, 2013 and Listing Regulations. The details about the said committees have been mentioned below.

i) Audit Committee

ii) Nomination and Remuneration Committee

iii) Stakeholders' Relationship Committee

iv) Risk Management Committee

The recommendations of the above mentioned committees are submitted to the Board of Directors for approval as a part of good corporate governance. The decisions taken in the meetings of the committees are recorded into the Committees' Minutes and the same are placed before the Board for review.

3. AUDIT COMMITTEE:

- Composition:-

As on 31st March, 2020, the Audit Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations and as per Section 177 of the Companies Act, 2013.

During the Financial Year 2019-20, the Audit Committee met four times on 28.05.2019, 13.08.2019, 14.11.2019 and 13.02.2020. The time gaps between any two meetings do not exceed 120 days. The composition of committee is mentioned as below.

Name	Designation	Nature Of Directorship
Mr. Gurpur Ramdas Kamath	Chairman	Independent & Non-Executive Director
Mr. Jivansingh Negi	Member	Independent & Non-Executive Director
Mr. Pradip J. Karia	Member	Executive Director
Ms. Zalpa Bakulsinh Rathod	Member	Independent & Non-Executive Director

- Terms of Reference:-

The terms of reference of the Audit Committee are in conformity with the requirements of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The terms of reference of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the Depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

- Meetings and Attendances:

During the year, four (4) Audit Committee Meetings were held on 28-05-2019, 13-08-2019, 14-11-2019 and 13-02-2020.

Sr. No.	Name of Members	Designation	No. of meetings held during the year	No. of meetings attended
1	Mr. Gurpur RamdasKamath	Chairman	4	4
2	Mr. Jivansingh Negi	Member	4	4
3	Mr. Pradip J. Karia	Member	4	4
4	Ms. Zalpa Bakulsinh Rathod	Member	4	4

The Committee is authorised by the Board of Directors in the manner as envisaged under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013. The Committee has been assigned task as listed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the information as listed under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

Apart from all the matters provided in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses about their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and Finance & Accounts department are invited to the meetings of the Audit Committee. The Board of Directors is review the minutes of the Audit Committee Meetings at its subsequent Board Meetings.

4. NOMINATION AND REMUNERATION COMMITTEE:

The nomination & remuneration committee for appointment and remuneration of Executive Directors was constituted and consists of Non-executive Independent Directors and Non-executive and Non-Independent which evaluates and finalizes among other things, compensation and benefits of the Executive Directors. The Constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 as well as Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Composition:-

During the year, the Board revised the Terms of Reference of the Committee to give effect to the new requirements under the Companies Act, 2013 and the Listing Regulations. The Terms of Reference were in compliance with the requirements of the Listing Regulations and the Companies Act, 2013.

The Nomination & Remuneration Committee comprises of the members as stated below and the Committee met once in the year i.e. on 28-05-2019 and attendance of the Members in the said meeting is stated in the below table.

Name of Members	Designation	Nature Of Directorship	No. of meetings held during the year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non-Executive Director	1	1
Mr. Gurpur Ramdas Kamath	Member	Independent & Non-Executive Director	1	1
Ms. Zalpa Bakulsinh Rathod	Member	Independent & Non-Executive Director	1	1

- Terms of Reference:-

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the role of the Nomination and Remuneration Committee of the Company is as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Board, its committees, and individual Directors.
- To devise a policy on Board diversity.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the Report of Performance evaluation of Independent Directors.
- Recommended to the board, all remuneration, in whatever form, payable to senior management.

- Performance Evaluation Criteria for Independent Directors:-

The Nomination and Remuneration Committee coordinates and oversees the annual self-evaluation of the Board, committees and of individual Directors. It also reviews the performance of all the executive Directors and non-executive Directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each Director by the Nomination and Remuneration committee. The Nomination and Remuneration Committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

Nomination and Remuneration Committee has devised the criteria for evaluation of Performance of Board including Independent Directors of the Company as stated below.

1. Effective Participants in Board Meetings in terms of adequacy (Time & content).
2. Guidance / support to management outside Board/ Committee meetings.
3. Domain knowledge and compliance with code of conduct.

The details of remuneration paid to executive Directors and sitting fees paid to non-executive Directors for the financial year ended 31st March, 2020 are provided hereinafter:

Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills, knowledge and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience.

5. Remuneration of Directors:

The Company has devised the policy for remuneration of executive Directors, key managerial personnel and non-executive Directors of the Company. The detailed Remuneration paid to the executive and non-executive Directors as mentioned below.

a) Executive Directors:-

The Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee, within the limits specified under the Section 197 of the Companies Act, 2013 read with Schedule V and as approved by Shareholders in the Annual General Meeting of the Company. Remuneration to the Executive Directors is paid by way of Salary, perquisites, allowances and other benefits and details of said remuneration are mentioned as below.

(₹ in lacs)

Sr. No.	Name	Salary Per annum	Perquisites/ Allowances	Sitting fees	Commission/ Bonus	Total
1	Mr. Pradip J. Karia	12.00	0.00	0.00	0.00	12.00
2	Mr. Chetan J. Karia	09.00	0.00	0.00	0.00	09.00
3	Mr. Vishal R. Karia	06.00	0.00	0.00	0.00	06.00
	Total	**27.00**	**0.00**	**0.00**	**0.00**	**27.00**

b) Remuneration paid to Non-Executive Directors for the financial year 2019-20:

According to Section 197 of the Companies Act, 2013 Non-executive Directors may be entitled to receive remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participation in the Board and other meetings and profit related commission within limits stipulated under Section 197 of the Act.

Non-Executive Directors are compensated for their services to the Company by way of commission and sitting fees. The Board of Directors have also approved the payment of sitting fees (other than Managing Director and Whole-Time Director) pursuant Section 197 (5) of the Act and also approved by the Shareholders in the Annual General Meeting of the Company. The details of remuneration paid to non-executive Directors during the financial year 2019-20 are as mentioned below.

(₹ in lacs)

Sr. No.	Name	Sitting Fees	Commission	Total
1.	Mr. Gurpur Ramdas Kamath	0.60	0.00	0.60
2.	Mr. Jivansingh Negi	0.60	0.00	0.60
3.	Ms. Zalpa B. Rathod	0.60	0.00	0.60
	Total	**1.80**		**1.80**

Directors have not been granted any stock options during the year under review.

Apart from payment of Sitting Fees, Annual Commission and shareholding of Non-Executive Directors disclosed in part 2(e) herein above; there was no other pecuniary relationship or transactions between the Company and Non- Executive Directors.

Service contracts, notice period, severance fees:

Managing Director and Whole-time Directors are appointed on contractual basis.

Stock option details, if any and whether issued at a discount as well as:

There are no Stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

6. **STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

- **Composition and Committee Meetings:-**

Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

To expedite the process and for effective resolution of grievances / complaints, the Committee has delegated powers to the Share Transfer Agent and its officials to redress all various aspects of interest of the Members / Investors.

The details of composition of Stakeholders Relationship Committee as on 31st March, 2020 are as mentioned below.

During the Financial Year 2019-20 the Committee met four times on 28-05-2019, 13-08-2019, 14-11-2019 and 13-02-2020.

Name	Designation	Nature of Directorship	No. of Committee meetings held during the relevant year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	4	4
Mr. Ramdas Gurpur Kamath	Member	Independent & Non Executive Director	4	4
Mr. Pradip J. Karia	Member	Executive Director	4	4
Ms. Zalpa Bakulsinh Rathod	Member	Independent & Non Executive Director	4	4

The Committee performs the following functions:

- Transfer/ transmission of shares.
- Split up/ sub-division and consolidation of shares.
- Dematerialization/ Re-materialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, probate, letters of transmission or similar other documents.
- To open/ close bank account(s) of the Company for depositing share/ debenture applications money, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- To look into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of annual report, non- receipt of declared dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.
- Oversees the performance of Registrar and share transfer agents, and recommends measures for overall improvement in the quality of investor services.
- Reviews the Company's attention to the environmental, health and safety interests of stakeholders.
- **Compliance Officer:**

  Mr. Nigam G. Sathavara, Company Secretary of the Company acts as the Compliance Officer for complying with requirements of Securities Laws and Listing Regulations with Stock Exchanges.
- **Status of Shareholders'/ Investors' Complaints for the period from 01st April, 2019 to 31st March, 2020.**

Sr. No.	Nature of Complaints	Received	Disposed	Pending
1.	Non- receipt of annual report	**11**	**11**	**NIL**
2.	SCORES (SEBI)	**NIL**	**NIL**	**NIL**
	Total	**11**	**11**	**NIL**

D. RISK MANAGEMANT COMMITTEE:

As on 31st March, 2020 the Risk Management Committee consists of Members as stated below. During the Financial Year 2019-20 the Committee met once on 28-05-2019.
Risk Management committee comprises of the following members:

Name	Designation	Nature of Directorship	No. of Committee meetings held during the relevant year	No. of meetings attended
Mr. Jivansingh Negi	Chairman	Independent & Non Executive Director	1	1
Mr. Pradip J. Karia	Member	Executive Director	1	1
Mr. Ramdas Gurpur Kamath	Member	Independent & Non Executive Director	1	1
Ms. Zalpa Bakulsinh Rathod	Member	Independent & Non Executive Director	1	1

Role and Responsibilities of the Committee includes the following.

- Framing of Risk Management Plan and policy.
- Overseeing implementation of Risk Management Systems and Framework.
- Monitoring of Risk Management Plan and Policy.
- Validating the process of risk management.
- Validating the procedure for Risk Minimization.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to Risk assessment and risk management process.

5. GENERAL BODY MEETING:

(i) Location and time where the last three AGM were held:

The Last 3 Annual General Meetings of the Company were held as under:

Year	Date / Time	Venue
2016-17	September 29,2017 12.00 noon	104, 105, 106, Chacharwadi, Vasna, Opp. ZydusCadila, SarkhejBavla Highway, Changodar, Ahmedabad
2017-18	September 29,2018 12.00 noon	104, 105, 106, Chacharwadi, Vasna, Opp. ZydusCadila, SarkhejBavla Highway, Changodar, Ahmedabad
2018-19	September 30,2019 12.00 noon	104, 105, 106, Chacharwadi, Vasna, Opp. ZydusCadila, SarkhejBavla Highway, Changodar, Ahmedabad

(ii) Information about Special Resolutions passed in previous three Annual General Meetings:

2016-17

1. No special resolution was passed in the Annual General Meeting for the financial year 2016-17.

2017-18

1. No special resolution was passed in the Annual General Meeting for the financial year 2017-18.

2018-19

1. Re-appointment of Mr. Jivansingh Negi (DIN: 01656455) as an Independent Director of the Company for a period of Five years.
2. Re-appointment of Mr. Gurpur Ramdas Kamath (DIN: 02234255) as an Independent Director of the Company for a period of Five years.

No special resolution was passed through postal ballot during the financial year 2019-20. It is also not proposed to pass any resolution through postal ballot in the current year.

6. MEANS OF COMMUNICATION:

Quarterly Results:

During the year, quarterly Unaudited Financial Results with limited review report and annual Audited Financial Results of the Company with Auditors' Report thereon were submitted to the Stock Exchanges from time to time upon their approval by the Board of Directors.

Newspapers Release:

The Company publishes its Financial Results into one English daily newspaper having nationwide circulation i.e. Indian Express or Business Standard and in one regional newspaper i.e. Financial Express (Gujarati Edition) or Jai Hind.

Website:

The Financial results are published on the website of the Company at www.pradipoverseas.com.

Whether it also displays official news releases: Yes

Presentations made to institutional investors or to the analysts.: N.A.

7. GENERAL SHAREHOLDERS INFORMATION:

i) 15th Annual General Meeting:

Date	20th October, 2020
Time	1.30 P.M.
Venue	N. A.
Mode	Video Conference (VC)/ Other Audio Visual Means (OAVM)
Remote E-voting Period	From 09:00 a.m. on 17th October, 2020 to 05:00 p.m. on 19th October, 2020

ii) Financial Calendar:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

The Financial Results of the Company will be submitted on the Stock Exchanges within prescribed time limit as mentioned into the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

iii) Book Closure:

The Register of Members and Share Transfer Register will remain closed from Tuesday, 13.10.2020 to Tuesday, 20.10.2020 for the purpose of deciding the list of Shareholders of the Company.

iv) Dividend Payment Date: N.A.

v) Listing on stock exchanges:

Sr. No.	Name of the Exchanges	Security Code	Address
1	BSE LIMITED (BSE)	533178	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
2	National Stock Exchange of India Limited (NSE)	PRADIP	"Exchange Plaza", C - 1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051.

The Listing fee for the financial year 2019-20 has been paid to the aforementioned stock exchanges.

CORPORATE GOVERNANCE REPORT (Contd....)

vii) STOCK MARKET DATA:

The monthly High and low prices of shares of the Company at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2020 are as under:

Financial Year– 2019-20	Bombay Stock Exchange		National Stock Exchange	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)
April, 2019	1.48	1.37	1.15	0.90
May, 2019	1.42	1.31	1.25	0.90
June, 2019	1.40	1.29	0.95	0.80
July, 2019	1.46	1.26	1.20	0.85
August, 2019	1.26	1.10	0.85	0.70
September, 2019	1.26	1.26	0.80	0.70
October, 2019	1.20	1.20	0.70	0.40
November, 2019	1.14	1.04	0.50	0.50
December, 2019	0.99	0.91	0.65	0.55
January, 2020	0.87	0.83	0.60	0.50
February, 2020	0.83	0.79	0.55	0.40
March, 2020	0.79	0.76	0.45	0.35

viii) Performance of Share Price in comparision to BSE Sensex and NSE:

The shares of the Company are not being traded on day to day basis. The volume of shares of the Company during the year 2019-20 is low as compared to BSE Sensex and NSE. Therefore, it is not possible to determine the exact comparison with BSE Sensex and NSE.

ix) Registrars and Transfer Agents:

Members are requested to send all documents pertaining to transfer/ demat requests and other communications in relation thereto directly to the Registrar & Share Transfer Agent at the following address:

Link Intime India Private Limited
05th Floor, 506 to 508,
Amarnath Business Centre - I (ABC - I),
Beside Gala Business Centre,
Nr. St. Xavier's College Corner
Off C G Road, Ellisbridge,
Ahmedabad-380006 (Gujarat)
Telephone : +91 079 26465179/86/87
Fax : +91 079 26465179
E-mail :ahmedabad@linkintime.co.in

x) SHARE TRANSFER SYSTEMS:

Since the Company's shares are compulsorily traded in the demat segment on Stock Exchanges, bulk of the transfers take place in the electronic form and physical transfer of shares approved and delegated by Stakeholders' Relationship Committee of the Company.

The transfer of shares in physical form is taken up for approval once in fortnight and the transferred securities are dispatched to the transferees within the stipulated time. Details of transfers / transmission approved by the delegates are noted by the Stakeholders Relationship Committee at its next Meeting. Also, the same has been noted by the Board of Directors on quarterly basis.

xi) Distribution of shareholding as at 31st March, 2020.

- By size of Shareholding

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of Shares held	% Share holding
001-500	10,706	77.27	13,97,203	2.88
501-1000	1,190	8.59	9,56,523	1.97
1001-2000	791	5.71	12,03,325	2.48
2001-3000	310	2.24	7,94,313	1.64
3001-4000	148	1.07	5,24,955	1.08
4001-5000	168	1.21	7,96,532	1.64
5001-10000	254	1.83	1907,407	3.94
10001 and above	289	2.09	4,08,59,925	84.35
Total	**13856**	**100.00**	**4,84,40,183**	**100.00**

- By category of Shareholders:-

Sr. No.	Category	No. of Shares	% of Shareholding
1	Promoter's & Promoter's Group	2,57,92,519	53.25
2	Other Bodies Corporate	43,65,638	9.01
3	Clearing Members	27,188	0.06
4	Hindu Undivided Family	5,62,278	1.16
5	Non-Resident Indian (Repat)	1,61,873	0.33
6	Non-Resident Indian (Non-Repatriable)	16,647	0.03
7	NBFC Registered with RBI	0	0.00
8	Investor Education and Protection Fund	12,701	0.03
9	Others	1,75,01,339	35.60
	TOTAL	**4,84,40,183**	**100.00**

xii) Dematerialization of shares and liquidity:

Equity shares of the Company can be traded only in dematerialized form by the investors. The Company's shares are available on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). Demat security (ISIN) code for the Equity Shares is INE495J01015. As on 31st March, 2020, 99.99% of the Equity Shares have been dematerialized. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

xiii) The Company has not issued GDRs/ ADRs/ warrants or any convertible instruments:

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments till date.

xiv) Disclosure of Commodity Price/Foreign Exchange Risk and Hedging Activities:

Though Company's operation are mainly in domestic market, Company is exposed to foreign exchange risk arising from foreign currency transactions, with respect to export of goods and short term borrowings in USD. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

i) The Company has no borrowings in foreign currency so it has no exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

xv) Address for correspondence:

a) Registered Office:

PRADIP OVERSEAS LIMITED
104, 105, 106, Chacharwadi, Vasna, Opp. ZydusCadila, SarkhejBavla Highway, Changodar, Ahmedabad-382213.
Phone : 079-2979 4030, 99798 50449
Email : investor@pradipoverseas.com
Web : www.pradipoverseas.com

b) Corporate Office:
Company Secretary
PRADIP OVERSEAS LIMITED
A/601, Narnarayan Complex, Near Swastik Cross Road, Navrangpura, Ahmedabad-380009.
Phone : 079-2656 0630 99798 51441,
Email : nigam@pradipoverseas.com
Website : www.pradipoverseas.com

c) Plant Location:
PRADIP OVERSEAS LIMITED
104, 105, 106, Chacharwadi, Vasna, Opp. ZydusCadila, SarkhejBavla Highway, Changodar, Ahmedabad - 382213.

xvi) Proceeds from Public Issue/Rights Issue/Preferential Issue/Warrant Conversion

During the financial year, the Company has not raised any funds through Public Issue/ Rights Issue/ Preferential Issue/Warrant Conversion.

8. OTHER DISCLOSURES:

a) Related Party Transactions:

The Company has formulated Related Party Transaction Policy, which is in compliance with the provisions of the Companies Act, 2013 and Listing Regulations. Policy was revised during the year to incorporate amendments in Listing Regulations. The policy can be accessed on the website of the Company at the web link: https://www.pradipoverseas.com.

During the year, the Company has entered into contract or arrangement with "Astha Creations" related to Sale, Purchase or supply of goods or materials and also engaged into transactions of availing or rendering services with the said firm. The Company has existing arrangements with Astha, which is in the ordinary course of business and at arm's length basis. The said transactions fall under the material related party transactions as per listing regulations and therefore, all the related party transactions were placed before the Audit Committee and Board of Directors for their approval in compliance with Section 188 of Companies Act, 2013 and Regulations 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the related party transactions were approved by the members of the Company in the 14th Annual General Meeting of the Company held on 30th September, 2019.

b) Details of non-compliance by the Company:

No Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Security Exchange Board of India (SEBI)or by any statutory authority on any matters related to capital markets during the last three years.

c) Whistle - Blower Policy / Vigil Mechanism:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company promotes the culture where employees can work freely and reporting for any unethical behavior or unacceptable practice and any event of misconduct. Section 177 of the Companies Act, 2013 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014, provides, a mandatory requirement, for all listed companies to establish a mechanism called "Vigil Mechanism (Whistle Blower Policy)" for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has established a vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

The policy provides adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and have direct access to the Chairman of the Audit Committee in exceptional cases. The policy is also available on the website of the Company. It is being affirmed that no personnel has been denied access to the Audit Committee.

d) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-para (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements as stipulated in Regulation 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

e) Material Subsidiaries:

The Company has formulated a Policy for determining "Material Subsidiary" and the same was revised during the year to give effect to the amendments in Listing Regulations. The revised policy is available on the Company's website at: https://www.pradipoverseas.com/material-subsidiary.pdf.

f) Utilization of funds raised through Preferential Allotment or Qualified Institutions Placement:

The Company has not raised any funds through preferential allotment or qualified institutions placement during the year under review.

g) Certificate of Practicing Company Secretary:

The Company has obtained a certificate from M/s. Ashish Shah & Associates, Practicing Company Secretary, Ahmedabad stating that none of the Directors on the Board of the Company has been debarred/ disqualified from being appointed / continuing as Directors of any company, by the SEBI and Ministry of Corporate Affairs or any such Statutory authority.

h) Where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year : N.A.

i) Fees paid to Statutory Auditors:

During the year, total fees, for all services (including out of pocket expenses and taxes), paid by the Company to the Statutory Auditors -M/s. Vijay Moondra & Co., (Registration no. 112308W) is as under:

Particulars	Amount in Rs.
Audit Fees	1,50,000
For Taxation matters	50,000
Total	**2,00,000**

j) Protection of Women against Sexual Harassment at Work Place:

Pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place".

Sr. No.	Particulars	No. of Complaints
1.	Number of complaints filed during the financial year 2019-20	NIL
2.	Number of complaints disposed of during the financial year 2019-20	NIL
3.	Number of complaints pending as at end of the financial year 2019-20	NIL

k) Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure of foreign exchange and hedged through Commodity derivatives.

l) Disclosure of Accounting Treatment

In preparation of Financial Statements, the Company has followed Accounting Standards as referred to in Section 133 of the Act and rules made thereunder. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

m) Details of compliance with Adoption of Mandatory and Discretionary Requirement as per Schedule II Part E of SEBI Listing Regulation:

During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

There is no non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulations (2) of Regulations 46 of SEBI Listing Regulations

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

The Board: The Chairman of the Company is Executive Director.

Shareholder's Right:

The quarterly, half-yearly and annual financial results of your Company are published in newspapers and posted on Company's websitewww.pradipoverseas.com. The same are also available on the sites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

Audit Qualification:

There is a qualified opinion on Audit Report of Audited Standalone Financial Results ended on 31st March 2020 and reply of the said qualification has been described in the Board's Report.

Reporting of Internal Auditor:

The Company's Internal Auditor reports directly to the Audit Committee.

n) Unclaimed Shares lying in Demat Suspense Account:

There are no equity shares lying in the demat suspense account or unclaimed suspense account.

9. CEO / CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Finance Officer of the Company is required to issue annual certification on financial reporting and internal controls to the Board. The certificate for financial year 2019-20 given by the Managing Director and the Chief Finance Officer is annexed to this Report

10. Management's Discussion and Analysis Report forms a part of the Annual Report.

The above Corporate Governance report was placed before Board of Directors of the Company at its meeting held on 23rd July, 2020.

By Order Of the Board of Directors
For, **PRADIP OVERSEAS LIMITED**

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN:00123748

Place: Ahmedabad
Date: 23rd July, 2020

DECLARATION BY THE MANAGING DIRECTOR OF REGULATION 34(3) PART D OF THE SEBI LISTING REGULATIONS:

To,
The Members,
PRADIP OVERSEAS LIMITED

I hereby declare that all the Directors and the designated employees in the senior management of the Company have affirmed compliance with the 'Code of Conduct' in respect of the financial year ended March 31, 2020.

For, **PRADIP OVERSEAS LIMITED**

Sd/-
(Pradip J. Karia)
Chairman and Managing Director
DIN: 00123748

Place: Ahmedabad
Date: 23rd July, 2020

CEO/CFO CERTIFICATION:

As required under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chief Financial Officer of the Company has submitted a Compliance Certificate for the financial year ended March 31, 2020, which is annexed to this Report.

Legal Compliance Reporting:

The Board of Directors reviews in detail, on a quarterly basis, the report of compliance with respect to all applicable laws and regulations. The Company has developed a very comprehensive Legal Compliance System, which drills down from the CEO to the Executive-level person (who is primarily responsible for compliance) within the Company. The process of compliance reporting is fully automated, using the enforce compliance tool. System-based alerts are generated until the user submits the monthly compliance report, with provision for escalation to the higher-ups in the hierarchy. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

For, **PRADIP OVERSEAS LIMITED**

Sd/-
Vishal R. Karia
(Chief Financial Officer)
(DIN: 00514884)

Place : Ahmedabad
Date : 23rd July, 2020

CERTIFICATION BY CEO/CFO UNDER REGULATION 17(8) OF SEBI LISTING REGULATIONS

To,
The Board of Directors
PRADIP OVERSEAS LIMITED

1. We have reviewed financial statements and the cash flow statement of Pradip Overseas Limited for the year ended 31st March, 2020 and that to the best of their knowledge and belief:
   (i) The statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
   (ii) These statements together present a true and fair view of the company's affairs is in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
   (i) There are no significant changes in internal control over financial reporting during the year;
   (ii) There is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) That there are no instances of significant fraud of which we have become aware.

For, **PRADIP OVERSEAS LIMITED**

Sd/-
Vishal R. Karia
(Chief Financial Officer)
(DIN: 00514884)

Place : Ahmedabad
Date : 23rd July, 2020

CORPORATE GOVERNANCE REPORT (Contd....)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE UNDER REGULATION 34 READ WITH SCHEDULE V, PARA E OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members
Pradip Overseas Limited

We have examined the compliance of conditions of Corporate Governance by Pradip Overseas Limited (the 'Company'), for the year ended March 31, 2020, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,as amended ('Listing Regulations').

The compliance of conditions of Corporate Governance is also the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Vijay Moondra& Co.
Chartered Accountants
(Registration No. 112308W)

Sd/-
(CA Vinit Moondra)
Partner
Membership No. 119398

Place: Ahmedabad
Date: July 23, 2020
UDIN: 20119398AAAAJC369

INDEPENDENT AUDITOR'S REPORT

To the Members of Pradip Overseas Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Pradip Overseas Limited ("the company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information as required by the Companies Act,2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

Due to defaults in payment of bank loans, the Company's accounts have been classified as Non Performing Assets (NPA) by the banks. Most of the banks have not charged interest on the Company's borrowings / loans. During the period under audit, no provision has been made for such interest in the books of accounts of the company and to that extent bank's loan liability and total loss is understated by ₹ 9.18 Cr.

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

Material Uncertainty Related to Going Concern

We draw your attention to Note no. 15.1.3 to the financial statements in respect of application filed by the State Bank of India and the Standard Chartered bank (financial creditors) at NCLT for initiation of Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code and the matter is sub-judice. The appropriateness of assumption of going concern is critically dependent upon the debt resolution of the company which is under process, the company's ability to raise requisite finance, generate cash flows in future to meet its obligations and to earn profits in future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern. Adequate disclosures relating to going concern have been made in Note no.15.1.4 to the financial statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:

a) Note no. 15.1.2 to the Annual Financial Statements in respect of assignment of debts of some of the banks to Invent Assets Securitisation & Reconstruction Private Limited ("Invent"), non-fulfilment of repayment schedule of One Time Settlement ("OTS") agreements entered with two banks and company's further request for reconsideration of OTS payment schedule.

b) Note No. 33(i) to the Annual Financial Statements regarding uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its operations and financial reporting for the year ended 31st March, 2020; such an assessment and the outcome of pandemic, as made by the management, is dependent on the circumstances as they evolve in subsequent periods.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT (Contd...)

The Key audit matters	How the matter was addressed in our audit
Revenue recognition	
The application and transition of the Indian accounting standard 115 ('Ind AS 115') i.e. Revenue from Contracts with Customers, is complex and is an area of focus in the audit. The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period.	Our audit procedures included : • We evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard; • We assessed manual journals posted to revenue to identify unusual items. • We evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams. • We evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. • We performed cut-off testing for samples of revenue transactions recorded before and after the financial year end date by comparing with relevant underlying documentation, which included goods dispatch notes and shipping documents, to assess whether the revenue was recognized in the correct period. • We inspected, on a sample basis, key customer contracts to identify terms and conditions relating to goods acceptance and rebates and assessing the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards.

Information Other than the Financial Statements and Auditor's Report thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (Contd...)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITOR'S REPORT (Contd...)

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

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

   b. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

   f. On the basis of written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

   g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

   h. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 31.1 to the financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts during the year ended on 31st March, 2020 for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the company to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the company is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For Vijay Moondra & Co.
Chartered Accountants
(Registration No. 112308W)

Sd/-
(CA Vinit Moondra)
Partner
Membership No. 119398
UDIN:20119398AAAAG05368

Place: Ahmedabad
Date: July 23, 2020

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

(i) In respect of its Property, Plant & Equipment:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, the inventories have been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. The discrepancies have been properly dealt with in the books of accounts.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to any Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a), (iii) (b) & (iii) (c) of paragraph 3 of the Order are not applicable to the Company.

(iv) The company has not given any loans, investments, guarantees or securities covered under section 185 and section 186 of the Act. Hence, the provisions of Clause (iv) of paragraph 3 of the Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no undisputed statutory dues in arrears as on 31st March, 2020 for a period of more than six months from the date they became payable.

b) There are no amounts payable in respect of income tax, service tax, sales tax, duty of customs, goods and services tax, duty of excise or value added tax or cess which have not been deposited on account of disputes.

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to banks as at the balance sheet date. Details of which are as below: (₹ in Cr.)

Bank Name	Amount of Default as on 31/03/2020*	Default From
Standard Chartered Bank	92.69	March, 2013
State Bank of India (formerly known as State Bank of Patiala)	*64.38	May, 2012
Laxmi Vilas Bank	*20.85	October, 2012

**The above table does not include the interest which bank has not provided after the account has been classified as Non Performing Assets and the amount which has been assigned /settled by the bankers.*

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (Contd...)

The Company does not have any outstanding dues from financial institutions, government and has not issued any debentures.

(ix) During the year, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans. In our opinion, the term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for Managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The company is not a Nidhi Company hence the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (IndAS) 24, Related Party Disclosures specified under section 133 of the Act.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause (xv) of paragraph 3 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.

For Vijay Moondra & Co.
Chartered Accountants
(Registration No. 112308W)

Sd/-
(CA Vinit Moondra)
Partner
Membership No. 119398
UDIN:20119398AAAAG05368

Place: Ahmedabad
Date: July 23, 2020

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date

Report on the Internal Financial Controls with reference to financial statements under section 143(3)(i) of the Companies Act, 2013("the Act")

We have audited the internal financial controls with reference to financial statements of Pradip Overseas Limited ("the Company") as of 31st March, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT (Contd...)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Vijay Moondra & Co.
Chartered Accountants
(Registration No. 112308W)

Sd/-
(CA Vinit Moondra)
Partner
Membership No. 119398
UDIN:20119398AAAAG05368

Place: Ahmedabad
Date: July 23, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment	3	9,042.22	10,008.47
(b) Intangible assets	4	8.90	13.19
(c) Financial Assets			
(i) Other Financial Assets	5	137.65	137.65
(ii) Deferred tax assets (net)	6	27,328.91	29,086.75
(d) Other non-current assets	7	1,397.75	1,532.38
Total Non-current assets			
2) Current assets			
(a) Inventories	8	5,499.92	5,594.70
(b) Financial Assets			
(i) Trade receivables	9	15,866.06	17,204.89
(ii) Cash and cash equivalents	10	12.67	61.08
(iii) Bank balances other than (ii) above	11	0.61	0.57
(c) Other current assets	12	1,361.29	1,124.14
Total Current assets			
TOTAL ASSETS		**60,655.98**	**64,763.82**
II EQUITY AND LIABILITIES			
1) Equity			
(a) Equity Share capital	13	4,844.02	4,844.02
(b) Other Equity	14	(90,849.17)	(87,745.46)
2) LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,43,064.90	1,42,614.18
(ii) Other financial liabilities	16	843.43	757.78
(b) Provisions	17	41.75	38.01
Total Non-current liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	18		
- Due to Micro and Small Enterprise		143.61	151.03
- Due to others		2,160.43	3,938.81
(b) Other current liabilities	19	290.99	101.07
(c) Provisions	20	116.02	64.38
Total Current liabilities			
TOTAL EQUITY AND LIABILITIES		**60,655.98**	**64,763.82**
Significant Accounting Policies and Notes to the Financial Statements	1 - 37		

As per our Report of even date

For Vijay Moondra & Co.
Chartered Accountants
Registration No.: 112308W
Sd/-
(CA Vinit Moondra)
Partner
Membership No.: 119398

Place : Ahmedabad
Date : July 23, 2020

For and on behalf of the Board

Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Nigam Sathavara)
Company Secretary
(ACS-38915)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

PARTICULARS	NOTES	2019-20	2018-19
I INCOME			
Revenue from operations	21	3,808.07	9,634.34
Other income	22	530.57	465.74
Total Income		**4,338.64**	**10,100.08**
II EXPENSES			
Cost of materials consumed	23	138.57	167.09
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	10.19	63.99
Excise on Sales		-	-
Employee benefits expense	25	520.11	587.83
Finance costs	26	1,017.75	859.08
Depreciation and amortization expense	27	964.73	967.40
Other expenses	28	3,036.76	8,022.17
Total Expenses		**5,688.11**	**10,667.56**
III Profit/(loss) before exceptional items and tax		**(1,349.47)**	**(567.48)**
IV Exceptional Items		-	-
V Profit/(loss) before tax (III-IV)		**(1,349.47)**	**(567.48)**
VI Tax Expenses			
Current Tax		-	-
Deferred Tax Provision / (Reversal)		**1,757.84**	**(2,278.33)**
		1,757.84	**(2,278.33)**
VII Profit (Loss) for the year		**(3,107.31)**	**1,710.85**
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss		**3.60**	**7.58**
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total Comprehensive Income for the year		**(3,103.71)**	**1,718.43**
X Earnings per Share			
Basic and Diluted (Face Value of ₹ 10 each fully paid up)	30	**(6.41)**	**3.53**
Significant Accounting Policies and Notes to the Financial Statements	1 - 37		

As per our Report of even date

For Vijay Moondra & Co.
Chartered Accountants
Registration No.: 112308W
Sd/-
(CA Vinit Moondra)
Partner
Membership No.: 119398

Place : Ahmedabad
Date : July 23, 2020

For and on behalf of the Board

Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Nigam Sathavara)
Company Secretary
(ACS-38915)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(1,349.47)		(567.48)
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation/ amortisation on continuing operation	964.73		967.40	
Other Comprehensive Income	3.60		7.58	
Interest income	(496.85)		(424.06)	
Finance charges	1,017.75		859.08	
Profit on Sale of Fixed Assets	-		-	
		1,489.23		1,410.00
Operating profit / (loss) before working capital changes		139.76		842.52
Movements in working capital:				
Decrease / (increase) in Trade and other receivables	1,338.83		(1,396.90)	
Decrease / (increase) in Inventories	94.78		132.98	
Increase / (decrease) in Trade and other payables	(1,785.80)		859.07	
Increase / (decrease) in Other current liabilities	189.92		(213.36)	
Increase / (decrease) in Long-term provisions	3.75		2.06	
Increase / (decrease) in Short-term provisions	51.64		2.85	
Increase / (decrease) in other current assets	(212.07)		(150.07)	
Increase / (decrease) in other non-current assets	214.04		(246.97)	
Increase / (decrease) in financial assets	-		(1.69)	
		(104.93)		(1,012.03)
Cash generated from /(used in) operations		34.83		(169.51)
Direct taxes paid/net of refunds		(79.40)		(238.61)
Net cash flow from / (used in) operating activities (A)		**(44.57)**		**(408.12)**
B. Cash flow from investing activities				
Interest received	496.85		424.06	
Movement in other non current assets	0.01		52.71	
Purchase of fixed assets & capital work-in-progress	(20.57)		(98.45)	
Increase / (decrease) in other current assets	(25.08)			
Sale of fixed Assets	26.37			
Movement in bank deposits not considered as cash and cash equivalents	(0.04)		0.28	
Net cash flow from / (used in) investing activities (B)		**477.54**		**378.60**
C. Cash flow from financing activities				
Finance charges	(1,017.75)		(859.08)	
Proceeds / (Repayment) of Long term borrowings	536.37		841.99	
Proceeds / (Repayment) of Short term borrowings	-		-	
Net cash flow from / (used in) financing activities (C)		**(481.38)**		**(17.09)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(48.41)**		**(46.61)**
Cash and cash equivalents at the beginning of the year		61.08		107.68
Cash and cash equivalents at the end of the year		**12.67**		**61.07**
Reconciliation of Cash and Bank Balances with the Balance Sheet				
Cash and Bank Balances as per Balance Sheet (refer note 11 & 12)		13.28		61.65
Less: Bank Balances not considered as Cash and Cash Equivalents		(0.61)		(0.57)
Cash and Cash Equivalents as at the end of the year		**12.67**		**61.08**
Components of cash and cash equivalents				
Cash on Hand		**1.49**		**3.81**
Balance with banks in current accounts		**11.18**		**57.27**
Total Cash and cash equivalents		**12.67**		**61.08**

As per our Report of even date

For Vijay Moondra & Co.
Chartered Accountants
Registration No.: 112308W
Sd/-
(CA Vinit Moondra)
Partner
Membership No.: 119398

Place : Ahmedabad
Date : July 23, 2020

For and on behalf of the Board

Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Nigam Sathavara)
Company Secretary
(ACS-38915)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

a. Equity Share capital (₹ in Lacs)

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Nos.	₹	Nos.	₹
Equity shares of ₹ 10 each				
Fully paid up	48,440,183	4,844.02	48,440,183	4,844.02
Add : amount received on forfeited shares	-	-	-	-
	48,440,183	**4,844.02**	**48,440,183**	**4,844.02**

b. Other Equity (₹ in Lacs)

Particulars	Reserves and Surplus					Total
	Share Capital Forfeiture	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	**-**	**8,917.39**	**2,657.14**	**-**	**(1,01,038.42)**	**(84,437.43)**
Loss for the year	-	-	-	-	1,710.85	1,710.85
Total Comprehensive Income for the year	-	-	-	-	7.58	7.58
Balance at 31st March, 2019	**-**	**8,917.39**	**2,657.14**	**-**	**(99,319.99)**	**(87,745.46)**
Balance at 1st April, 2019	**-**	**8,917.39**	**2,657.14**	**-**	**(99,319.99)**	**(87,745.46)**
Loss for the year	-	-	-	-	(3,107.00)	(3,107.00)
Total Comprehensive Income for the year		-	-	-	3.60	3.60
Balance at 31st March, 2020	**-**	**8,917.39**	**2,657.14**	**-**	**(1,02,423.70)**	**(90,849.17)**

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Significant Accounting Policies and notes to the financial statements

1. Corporate Information

Pradip Overseas Ltd. ("the company") is engaged in inhouse manufacturing of home textile articles from 100% Cotton Sheeting, Flannel, Polyester Cotton and 100% Polyester Satin, Jacquard, Stripes, from 150 thread count to 1000 thread count Quilts, Curtains, Cushions, Towels and many more articles. The company is very well equipped with High Thread count with the latest technology and machine will give some leverage to the product. The company has its registered office and manufacturing facilities at Changodar and corporate office in Ahmedabad. The company is a public limited company with its shares listed on both BSE Limited (BSE)and NSE Limited (NSE).

2. Basis for Preparation of Financial statements, Significant Accounting Policies and critical estimates & judgments

A. Basis for Preparation of Accounts

The financial statements have been prepared under the historical cost convention, except Investments which are measured at fair value. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities and revenue and expenditures during the reporting periods. Difference between actual results and estimates are recognized in the period in which they are known/ materialized.

Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as issued under the Companies (Indian Accounting Standards) Rule, 2015.

B. Summary of Significant Accounting Policies*:*

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented

Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

I. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various

other assumption and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results estimates are recognized in the period in which the result is known/materialized.

The said estimates are based on the facts and events, that existed as at reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Estimation of uncertainties relating to COVID-19 Pandemic (COVID-19):

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this, the company's manufacturing operations, distribution centres and extended supply chain partner locations also got temporarily disrupted.

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates, the company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

II. Financial instruments

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

A. Financial asset

i. Classification and measurement

Classification

The Company classifies its financial assets, other than investments in subsidiaries and joint venture in the following measurement categories:

a. those to be measured subsequently at fair value(either through other comprehensive income, or through profit or loss), and

b. those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, all financial assets are measured initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Company classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts which are repayable on demand and form an integral part of an entity's cash management system. Other bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

ii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34.2 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the financial asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cashflows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv. Income recognition

Interest income from debt instruments is recognise during the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial

asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

B. Financial liabilities

i. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of Profit and Loss, loans and borrowing, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments.

ii. Subsequent measurement:

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

Financial liabilities at fair value through Statement of Profit and loss. Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. For the Loans classified as NPAs, the borrowings have not been shown on amortised cost method.

Financial guarantee contracts:

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value through statement of profit and loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

iii. Derecognition:

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

C. Derivative financial instrument:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instrument is initially recognized at fair value through consolidated statement of Profit and loss (FVTPL) on the date on which a derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the consolidated statement of Profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designed as hedge are recorded as finance cost.

D. Offsetting of financial instruments

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

III. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalisation criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significantly parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Capital work in progress comprised of cost of Property, plant and equipment that are yet not installed and not ready for their intended use at the balance sheet date.

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

The Company calculates depreciation on items of property, plant and equipment on a written down value basis as per the Companies Act 2013.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

IV. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 3 years.

V. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

VI. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw Material, Packing Material, Chemicals, Lignite, Stores and Consumables, Work-in-Progress and Finished Goods are valued at lower of cost and net realizable value. Cost is ascertained on FIFO basis and includes appropriate production overheads in case of Work-in-Progress and Finished Goods. The closing stock-in-trade consisting of land has been valued at fair market value on the date of conversion from capital asset to stock-in-trade, i.e. 31.03.2014 or current market value whichever is lower.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

VII. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of Goods & Services Tax and net of returns, trade discounts, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

a. Sale of Goods: Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b. Sale of Services

Sales are recognised upon the rendering of services and are recognised net of Goods & Services Tax(GST).

c. Interest income

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

d. Dividend

Dividend Income is recognised when the Company's right to receive is established which is generally occurred when the shareholders approve the dividend.

e. All other items are recognised on accrual basis.

VIII. Taxes on Income

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of Profit and Loss is recognised outside the statement of Profit and Loss (either in other comprehensive income or in equity).Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except.

- When the Deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent it is probable that future taxable amounts will be available against the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset arises relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets is to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of Profit and Loss is recognised outside the statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

IX. Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period on government bonds using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

a) defined benefit plans such as gratuity and

b) defined contribution plans such as provident fund.

Defined benefit plan

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

X. Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('The Functional Currency') The Financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

Transactions in Foreign currency are recorded at the rate of exchange in force at the time transactions are effected and exchange difference, if any, on settlement of transaction is recognized in the Statement of Profit & Loss. Monetary transaction balance other than FCDL as on date of Balance Sheet have been reported at exchange rate on Balance Sheet date and difference charged to the Statement of Profit &Loss. Forward contract premium paid on forward contracts are amortized to Statement of Profit & Loss over life of such contract.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

XI. Fair value measurement

The Company measures financial instruments such as Investments at fair value at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

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

- In the principal market for the asset or liability

  Or

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

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

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

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

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

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

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

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

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

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

XII. Investment and other Financial Assets

Financial assets are recognized and measured in accordance with Ind AS 109 – Financial Instruments. Accordingly, the company recognizes financial asset only when it has contractual right to receive cash or other financial assets from another Company.

a. Initial recognition and measurement

All financial assets, except investment in subsidiary are measured initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. The transaction cost incurred for the purchase of financial assets held at fair value through profit or loss is expended in the statement of Profit and Loss immediately.

b. Subsequent measurement

For the purpose of Subsequent measurement financial assets are classified in three categories:

- Measured at amortised cost
- Measured at fair value through other comprehensive income (FVOCI)
- Measured at fair value through Profit and Loss (FVTPL)

XIII. Debt instruments at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortized cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through Other Comprehensive Income (FVOCI).

The movement in carrying amount are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from equity to the Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt instruments at fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation at amortized cost or s FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

XIV. Equity investments

All equity investments, except in subsidiary are measured at cost in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instruments as a FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of Investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Derecognition

A financial asset (or, where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred substantially all the risks and rewards of the asset

XV. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

XVI. Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

XVII. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable Estimate can be made of the amount of the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements

XVIII. Earnings per share

Basic Earnings per Share is calculated by dividing the net profit/ loss for the year attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year.

Diluted Earnings Per Share is calculated by dividing the profit attributable to equity holders (or owners) of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares

XIX. Segment Reporting

The segments have been identified taking into account the nature of the products / services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

3. Property, Plant and Equipment

(₹ in Lacs)

Particular	Freehold Land	Building	Plant and Equipment	Electric Installation	Furniture and fixtures	Laboratory Equipment	Vehicles	Office equipment	Computers	Total
Balance as at 1st April, 2018	**668.12**	**2,647.87**	**15,620.80**	**231.89**	**186.14**	**14.47**	**237.50**	**115.11**	**60.42**	**19,782.32**
Additions	-	23.64	71.81	-	-	-	-	1.82	1.18	98.45
Disposals	-	-	-	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	**668.12**	**2,671.51**	**15,692.60**	**231.89**	**186.14**	**14.47**	**237.50**	**116.94**	**61.60**	**19,880.77**
Balance as at 1st April, 2019	**668.12**	**2,671.51**	**15,692.60**	**231.89**	**186.14**	**14.47**	**237.50**	**116.94**	**61.60**	**19,880.77**
Additions	-	15.81	4.28	-	-	-	-	0.48	-	20.57
Disposals	-	50.16	1.00	-	-	-	25.70	-	-	76.86
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	**668.12**	**2,637.15**	**15,695.88**	**231.89**	**186.14**	**14.47**	**211.80**	**117.42**	**61.60**	**19,824.47**
Accumulated Depreciation										
Balance as at 1st April, 2016	-	796.24	5,539.60	203.72	130.72	12.56	147.29	94.16	52.26	6,976.54
Deduction & Adjustment	-	-	-	-	-	-	-	-	-	-
Depreciaton for the period	-	78.26	844.14	4.73	13.43	0.29	19.31	6.64	1.29	968.08
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 1st April, 2018	**-**	**954.30**	**7,233.88**	**211.47**	**152.57**	**13.02**	**184.75**	**103.69**	**55.57**	**8,909.25**
Deduction & Adjustment	-	-	-	-	-	-	-	-	-	-
Depreciaton for the period	-	80.65	852.64	2.15	7.03	0.16	16.37	1.66	2.38	963.05
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	**-**	**1,034.95**	**8,086.51**	**213.62**	**159.60**	**13.18**	**201.12**	**105.35**	**57.95**	**9,872.30**
Balance as at 1st April, 2019	**-**	**1,034.95**	**8,086.51**	**213.62**	**159.60**	**13.18**	**201.12**	**105.35**	**57.95**	**9,872.30**
Deduction & Adjustment	-	25.08	1.00	-	-	-	24.42	-	-	50.50
Depreciation for the period	-	81.55	855.37	1.91	6.69	0.16	11.52	1.35	1.89	960.45
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	**-**	**1,091.42**	**8,940.89**	**215.54**	**166.30**	**13.34**	**188.22**	**106.70**	**59.84**	**10,782.25**
Net carrying amount										
Balance as at 1st April, 2019	668.12	1,636.55	7,606.09	18.27	26.54	1.29	36.38	11.58	3.65	10,008.47
Balance as at 31st March, 2020	668.12	1,545.73	6,755.00	16.36	19.84	1.13	23.57	10.71	1.76	9,042.22

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

4. Intangible Assets (₹ in Lacs)

Particular	Computer & Software	Trademark	Total
Gross Amount			
Balance as at 31st March, 2018	**39.29**	**3.32**	**42.62**
Additions	-	-	-
Disposals	-	-	-
Reclassification as held for sale	-	-	-
Balance as at 31st March, 2019	**39.29**	**3.32**	**42.62**
Additions			
Disposals			
Reclassification as held for sale			
Balance as at 31st March, 2020	**39.29**	**3.32**	**42.62**
Accumulated Depreciation			
Balance as at 31st March, 2018	**21.84**	**3.23**	**25.07**
Deduction & Adjustment			
Amortisation for the period	4.29	0.06	4.35
Reclassification as held for sale			
Balance as at 31st March, 2019	**26.13**	**3.29**	**29.42**
Deduction & Adjustment	-	-	-
Amortisation for the period	4.26	0.03	4.28
Reclassification as held for sale	-	-	-
Balance as at 31st March, 2020	**30.39**	**3.32**	**33.71**
Net carrying amount			
Balance as at 31st March, 2019	13.16	0.03	13.19
Balance as at 31st March, 2020	**8.90**	**-**	**8.90**

5. Other Financial Assets (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Security Deposits		
Secured, considered good	137.65	137.65
Total	**137.65**	**137.65**

6. Deferred Tax Assets (Net) (₹ in Lacs.)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Liability relating to earlier years	29,086.75	26,808.42
Add/(Less): Liability/(Asset) for the year	(1,757.84)	2,278.33
Total	**27,328.91**	**29,086.75**

Deferred tax assets (net) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Deferred Tax Assets		
Disallowance u/s 43B (Gratuity Provision & Interest)	15.24	14.17
Unabsorbed Depreciation	1,766.58	1,883.15
Business Loss	26,501.60	28,188.92
Total (A)	**28,283.42**	**30,086.24**
Deferred Tax Liabilities		
On Account of Depreciation	954.51	999.49
Total (B)	**954.51**	**999.49**
Deferred Tax Liabilities (Net) (A-B)	**27,328.91**	**29,086.75**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

7. Other Non current Assets (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Capital Advances (unsecured, considered good)	431.94	431.94
Advances other than capital advances	-	-
Balance with Income Tax Authorities	756.15	676.74
Balance with GST Authorities	201.23	415.26
Other Loans and Advances	8.43	8.44
Total	**1,397.75**	**1,532.38**

8. Inventories (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Raw materials	15.54	49.10
Work in progress	55.62	38.48
Finished goods	2.46	29.79
Stores, chemicals and packing materials	189.51	240.54
Stock-in-trade : Land	5,236.79	5,236.79
Total	**5,499.92**	**5,594.70**

9. Trade receivables (current) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Unsecured, considered good	15,866.06	17,204.89
Total	**15,866.06**	**17,205.89**

10. Cash and cash equivalents (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Balances with banks	11.18	57.27
Cash on hand	1.49	3.81
Total	**12.67**	**61.08**

11. Bank balances other than mentioned in cash and cash equivalents (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Fixed Deposits with Banks	0.61	0.57
Total	**0.61**	**0.57**

12. Other Current Assets (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Other advances		
Staff advance	5.38	12.81
Prepaid expenses	9.37	10.78
Advances recoverable in cash or in kind	1,029.94	1,100.30
Insurance Claim Receivable	315.54	-
Export incentive receivable	1.07	0.25
Total	**1,361.29**	**1,124.14**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

13. Share capital (₹ in Lacs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Units	Rs.	Units	Rs.
Authorised Share Capital :				
Equity Shares of ₹ 10 each	50,000,000	5,000.00	50,000,000	5,000.00
Issued & Subscribed :				
Equity Shares of ₹ 10 each	48,440,183	4,840.02	48,440,183	4,840.00
Paid Up :				
Fully paid up	48,440,183	4,840.02	48,440,183	4,840.00
Add : amount received on forfeited shares	-	-	-	-
Total	**48,440,183**	**4,840.02**	48,440,183	**4,840.00**

13.1 The reconciliation of the no. of shares outstanding is set out below :

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Equity shares		
At Beginning of the period	48,440,183	48,440,183
Add : Issued during the year	-	-
Less : Bought back during the year	-	-
At end of the period	**48,440,183**	**48,440,183**

13.2 Details of shareholders holding more than 5% shares

Name of the shareholders	As at 31.03.2020		As at 31.03.2019	
	Units	Rs.	Units	Rs.
Mr. Pradipkumar J. Karia	90,13,003	18.61%	90,13,003	18.61%
Mr. Chetankumar J. Karia	90,12,976	18.61%	90,12,976	18.61%
Mr. Vishal R. Karia	42,86,340	8.85%	42,86,340	8.85%
Pradip Petrofils Private Limited	30,70,303	6.34%	30,70,303	6.34%

13.3 The Company has only one class of shares i.e. equity shares. All equity shares carry equal rights with respect to voting and dividend.

13.4 In the event of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remaining after distribution of all preferential amounts.

14. Other Equity (₹ in Lacs)

Particulars	As at 31/03/2020	As at 31/03/2019
Share Premium	8,917.39	8,917.39
Capital Reserve	2,657.14	2,657.14
Surplus in Statement of Profit and Loss		
Balance at the beginning of the Year	(99,319.99)	(1,01,038.42)
Add: Profit after tax for the Year	(3,103.71)	(1,718.43)
Adjustment for fair value of preference shares	-	-
	(1,02,423.70)	**(99,319.99)**
Less: Appropriations	-	-
Balance at the end of the Year	(1,02,423.70)	(99,319.99)
TOTAL	**(90,849.17)**	**(87,745.46)**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

15. Borrowings (Non Current) (₹ in Lacs)

Non-current interest-bearing loans and borrowings	As at 31/03/2020	As at 31/03/2019
(A) Term loans		
i. From Banks		
Secured	9,843.08	9,828.52
Vehicle loan from Financial Institutions	-	3.58
ii. From other parties		
Secured	1,25,057.09	1,25,057.09
Unsecured	-	-
(B) Working Capital Loans		
I. From banks		
Secured	8,164.72	7,724.99
Total	**1,43,064.90**	**1,42,614.18**

15.1 Corporate Debt Restructuring:

The Company had gone for restructuring of its debt in F.Y. 2011-12. But on account of various factors, inter-alia, unavailability of ETP facility, fluctuation in cotton prices, high receivables and high debtors level, continued global recession etc., the company's operations have been severely affected and the company was not able to meet the scheduled debt service obligations. Hence the company had decided to approach the Corporate Debt Restructuring (CDR) Cell for restructuring of the existing loans.

At the request of the company and in consideration of the company's commitment to improve its operations, the lenders had agreed to refer the company's proposal to Corporate Debt Restructuring Forum for the efficient restructuring of its corporate debt (hereinafter referred to as the "CDR"). Pursuant thereto, the CDR Empowered group at their meeting held on December 11, 2013 had approved a restructuring package in terms of which the existing loans of the lenders to the company are to be restructured on the terms and conditions set out in Letter of Approval (LOA) dated December 16, 2013, as amended / modified from time to time. The cut-off date ('COD') for the CDR proposal was January 1, 2013. The Master Restructuring Agreement ('MRA') was executed on March 22, 2014 between the borrower and the CDR lenders, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having COD of January 1, 2013.

15.1.1 Failure of Approved CDR Package:

As per the MRA document, two year holiday was offered by the lenders for interest & installment. However, due to late disbursement of term loan for Effluent Treatment Plant ('ETP'), the company could not complete the ETP in time & accordingly the production could not be increased. Also the company had anticipated that the approval of proposed industrial parks would be received from Government of Gujarat, which was also delayed. Due to these reasons, the company was not in a position to service the interest & installment starting from 1st January 2015. Company had represented the reasons for the non-payment of interest & installment to all the lenders & CDR cell, however after giving an extension till September 2015, CDR cell & lenders decided to withdraw from the CDR Scheme. The CDR cell had informed company in the month of January 2016 regarding the failure of the approved CDR package.

15.1.2 Assignment of Debt & One Time Settlement (OTS):

Till F.Y. 2016-17, five lenders namely State Bank of India (SBI), Allahabad Bank, Karur Vasya Bank (KVB), Union Bank of India and Punjab National Bank had sold their stake to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent") - the designated "Asset Reconstruction Company" (ARC). The company had entered into settlement agreement on 29th July, 2016 for the repayment of the debts of State Bank of India (SBI), Allahabad Bank, Karur Vasya Bank (KVB) to Invent. In terms of the settlement agreement, if all the terms and conditions are fully complied by the company upto February 2021, there will be reduction in debt, as per books of accounts of the company, by ₹ 347.45 Cr.

In F.Y. 2017-18, Bank of India (BOI) & Indian Overseas Bank (IOB) have also assigned their debts to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent"). In F.Y. 2018-19, Canara Bank had assigned its debts to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent"). The company had approached Invent for One Time Settlement of the said dues.

One-time Settlement with State Bank of India

The Company had availed various term loans facilities from the State Bank of India (formerly known as State Bank of Patiala) and due to defaults in payment of said loans the accounts of the Company have been classified as Non-Performing Assets by the aforementioned Bank. In respect of the said outstanding dues, the Company had approached the Bank through submission of letter dated 29th August, 2019 along with cheque of ₹ 50 Lakh for one-time settlement of ₹ 23 Cr. against the outstanding dues of the Company with the Bank. The Company was required to pay ₹ 23 Cr. in monthly installment along with an upfront payment of 5 % of the settlement amount as per the terms and conditions stipulated by the State Bank of India through their email dated 9th September, 2019.

As far as the email dated 9th September, 2019 of the State Bank of India is concerned, the Company had further submitted a cheque of ₹ 65 Lakh and after the getting approval from the bank, the Company had furnished detailed repayment schedule of ₹ 23 Cr. The said amount was required to be paid by March, 2020. Meanwhile the State Bank of India issued a letter dated 28th November, 2019 to the Company regarding the acceptance of proposal by the Bank and also informed the Company for making payment according to the terms and conditions as stipulated in the said letter.

In the sanction letter, the repayment schedule as sanctioned by the bank was much different than the original plan put up by the company. Looking to the liquidity issues, it was difficult to manage the repayment as per new sanctioned plan and so the Company insisted the bank to give some time for repayment but the proposal was denied by the Bank. Meanwhile the Company had also made the payment of ₹ 1 Cr. on 4th January, 2020.

Company was required to make the entire payment to the Bank by 31st March, 2020 which was done by the Company due to sharp fall in production as well as slowdown experienced in the textile sector. In March 2020, due to COVID-19 pandemic, the company's operations were severely affected and the factory was shut down for more than 60 days due to the countrywide lockdown announced by the government. Even after resuming the operations, due to various restrictions imposed by the government on account of COVID-19 coupled with labour and staff issues, it was difficult to operate the processing unit for more than 12 hours. Hence, the company had further approached the Bank for the amicable settlement of outstanding dues through submission of letter dated 4th July, 2020. After considering aforementioned payments made, still ₹ 20.85 Cr. is outstanding for settlement for which the Company has submitted proposal to the Bank and is awaiting a positive response for the said matter.

One-time Settlement with Standard Chartered Bank

The Company had availed various term loans facilities from the Standard Chartered Bank (hereinafter referred to as "SCB") and in respect of the said facilities the Company had made the payment to the SCB from time to time but after the 2012 the Company was facing financial crisis and was unable to make timely payment of the dues to SCB and therefore the said bank has classified the Company's account as NPA.

The Company had approached the SCB for one-time settlement of outstanding dues of the Company amounting to ₹ 13.50 Cr. and the said proposal was submitted by the Company through letter dated 18th July, 2019. SCB had approved our ex curia settlement proposal of ₹ 13.50 Cr. and on the basis of that a signed copy of the said Settlement Agreement was submitted by the Company on 30th September, 2019.

According to the terms and conditions of the said settlement agreement, company was required to make the payment of ₹ 13.50 Cr. on or before 16th January, 2020. The Company has paid total amount of ₹ 2.60 Cr. till the end of the March, 2020 and further requested the Bank for extension of period of settlement.

Due to COVID -19 and the effect of the same on company's operations as mentioned above, company has approached the Bank for amicable settlement of outstanding dues of the Company with SCB through letter dated 4th June, 2020. Despite the disruptions in manufacturing operations of the Company due to COVID-19, total amount of ₹ 2.60 Cr. was paid to the bank by the Company and the said amount has been adjusted against the outstanding dues of SCB. After considering aforementioned payments made, still ₹ 8.82 Cr. is outstanding for settlement for which the Company has submitted proposal to the Bank and is awaiting a positive response for the said matter.

Steps taken by Management:

Industrial Park Project at Bhamasra land:

The company had received the approval of its land parcels for the proposed Industrial Park in October, 2015. The company is in process completing certain formalities pertaining to land like NA approval, amalgamation of all land parcels etc. from revenue department of Government of Gujarat. The company is also applying for Environmental Clearance (EC) for the entire land of Industrial Park. Once these basic formalities are completed, the company will take up the developmental activity of the said Park.

15.1.3 Applications for initiation of corporate insolvency resolution process filed by the banks with National Company Law Tribunal ("NCLT") Ahmedabad

1. State Bank of India [case no. C.P. (IB) 20 of 2019]

The State Bank of India (formerly State Bank of Patiala) ("financial creditor") has filed application bearing no. C.P. (IB) no. 20 of 2019 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the "Insolvency Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, into the NCLT, Ahmedabad, for initiation of corporate insolvency resolution process against the Company. The Financial Creditor had stated that as on 15th November, 2018, a sum of ₹ 134.17 Crs. was due and outstanding from the Company, in respect of the various facilities granted by the Financial Creditor to the Company. The said bank had submitted the application into the NCLT, Ahmedabad Bench on 22nd November, 2018 for recovery of the aforementioned pending dues of the Company and the matter was listed on 3rd January, 2019 into the NCLT, Ahmedabad.

The NCLT, Ahmedabad had issued the order on 3rd January, 2019 to the Company to file reply to the aforementioned case on or before 14th February, 2019. In the passage of time consecutive hearings were held at the NCLT, Ahmedabad.

Meanwhile, the Company had submitted One-time Settlement Proposal through letter dated 29th August, 2019 to State Bank of India, Stressed Assets Management Branch, Ahmedabad, for settlement of outstanding total debts of the Company. The said proposal was accepted by the aforementioned bank and before the execution of settlement agreement they have sent proposal letter to the higher authority for approval.

The proposal for settlement was issued by the SBI through their letter Ref no. SBI/SAMB/2019-20/1078 dated 28th November, 2019 and the signed copy of the said sanction letter was submitted by the Company to the bank as on 31st December, 2019 and had informed NCLT-Ahmedabad Bench about the settlement.

By mid-March in wake of the COVID-19 pandemic, the tribunal proceedings were halted by the NCLT except urgent matters and that too through video conferencing ("VC") mode only. The company approached SBI for reconsideration of remaining amount of settlement of ₹ 20.85 Cr. by submission of letter dated 4th July, 2020. NCLT-Ahmedabad Bench had resumed the conduct of hearing through VC and the hearing was held on 13th July 2020. In the hearing, the company stated that the proposal for reconsideration of remaining amount of settlement has been submitted to SBI and the matter is under consideration. NCLT-Ahmedabad Bench issued the order for matter to be adjourned for further hearing held on 24th August, 2020.

2. Standard Chartered Bank [case no. C.P. (IB) 221 of 2019]

Standard Chartered Bank has filed application bearing no. C.P. (IB) 221 of 2019 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the "Insolvency Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, into the National Company Law Tribunal, Ahmedabad for initiation of corporate insolvency resolution process against the Company. The Financial Creditor stated that as on 28th February, 2019, a sum of ₹ 96.64 Crs. was due and outstanding from the Company, in the respect of various facilities granted by the Financial Creditor to the Company. For the recovery of the said outstanding debt of the Company, the bank had submitted application into the NCLT on 11th March, 2019 and the said matter was listed on board on 4th April, 2019.

During the pendency of aforementioned suit, the Company had submitted the proposal for One-time Settlement on 18th July, 2019 to the Standard Chartered Bank, Ahmedabad Branch, for settlement of total outstanding debts of the Company. The said proposal was accepted by the Bank and as per the terms and conditions of the bank, the Company had submitted signed the settlement agreement with the said bank.

According to the terms of settlement agreement the Company had paid total amount of ₹ 2.60 Crs. upto 13th March, 2020 and for the balance amount the Company approached to the bank for reconsideration of repayment schedule as well as extension for the period of settlement.

By mid-March in wake of the COVID-19 pandemic, the tribunal proceedings were halted by the NCLT except urgent matters and that too through video conferencing ("VC") mode only. During the period of

lockdown, the Company further made payment of ₹ 2.06 Cr. to the SCB. Meanwhile the Company has approached SCB for reconsideration of remaining amount of settlement of ₹ 8.82 Cr. by submission of letter dated 4th June, 2020. NCLT-Ahmedabad Bench had resumed the conduct of hearing through VC and the hearing was held on 6th July 2020. In the said hearing the Company stated that the proposal for reconsideration of remaining amount of settlement has been submitted to SCB and the said matter is under the consideration. After hearing both parties, NCLT-Ahmedabad Bench has adjourned the matter till further hearing on 5th August, 2020.

15.1.4 Going Concern:

After completion of ETP, the production capacity of the plant has been improving. The company has also taken various steps to reduce cost & improve efficiencies to make its operations profitable. The company has also received the approval of its land parcels for the proposed Industrial Park at Bhamsara & is making effort to tie-up with reputed developer to take up the development work at the proposed park. The company is hopeful for One Time Settlement (OTS) of its outstanding debt which is assigned to Invent by March, 2021. The company is concentrating on job work which is less capital intensive and has higher margins. The company has prepared the financial statements on going concern basis and therefore no adjustments have been made to the carrying values or classification of assets and liabilities.

16. Other financial liabilities (Non Current) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Other Long-term liabilities	843.43	757.78
Total	**843.43**	**757.58**

17. Provisions (Non Current) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Provision for gratuity	41.75	38.01
Total	**41.75**	**38.01**

18. Trade Payables (Current) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Total outstanding dues of micro enterprises and small enterprises	143.61	151.03
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,160.43	3,938.81
Total	**2,304.04**	**4,089.84**

18.1 Disclosures u/s 22 of Micro, Small and Medium Enterprises development Act, 2006 (MSMED ACT)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Principal amount remaining unpaid to any supplier as at the end of accounting year	143.61	151.03
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management. This has been relied upon by the auditors.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

19. Other Current liabilities (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Current maturities of long-term debt	4.94	14.10
Creditors for capital expenditure	31.28	29.11
Temporary Overdraft	12.69	-
Other payables (refer note no. 19.1)	242.09	57.87
Total	**290.99**	**101.07**

19.1 Other Payables include the statutory dues and advance from customers.

20. Provisions (Current) (₹ in Lacs)

Particulars	Balance as at 31/03/2020	Balance as at 31/03/2019
Provisions for Employee Benefits		
Provision for salary & reimbursements	88.90	38.88
Provision for gratuity	15.64	14.01
Provision for leave encashment	3.28	3.28
Provision for bonus	8.21	8.21
Total	**116.02**	**64.38**

21. Revenue from operations (₹ in Lacs)

Particulars	2019-20	2018-19
Sale of fabrics	228.02	358.72
Job work	3,580.05	9,275.63
Total	**3,808.07**	**9,634.34**

21.1 Sale of Products (₹ in Lacs)

Name of Products	2019-20	2018-19
Grey fabrics	228.00	359.00
Others	3,580.00	9,276.00
Total	**3,808.00**	**9,635.00**

22. Other income (₹ in Lacs)

Particulars	2019-20	2018-19
Interest income	496.85	424.06
Duty drawback and other export incentives	-	8.25
Rental Income	3.00	3.00
Commission	-	30.43
Other Non operating Income	30.72	-
Total	**530.57**	**465.74**

23. Cost of materials consumed (₹ in Lacs)

Particulars	2019-20	2018-19
Opening Stock	49.10	113.66
Add : Purchases	105.02	102.53
Sub Total	**154.11**	**216.19**
Less : Closing Stock	15.54	49.10
Total	**138.57**	**167.09**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

23.1 Raw Materials Consumed :

Items	Units of Measurement	₹ in Lacs	
		2019-20	2018-19
Grey fabrics	Mtr.	138.57	167.09
Total		**138.57**	**167.09**

23.2 Analysis of Raw Materials Consumed (₹ in Lacs)

Particulars	2019-20		2018-19	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	-	-	-	-
Indigeneous	138.57	100.00%	167.09	100%
Total	**138.57**	**100.00%**	**167.09**	**100.00%**

24. Changes in Inventories of Finished goods, WIP and Waste (₹ in Lacs)

Particulars	2019-20	2018-19
Closing Stock		
Finished goods / stock-in-trade	2.46	29.79
Land	5,236.79	5,236.79
Work-in-progress	55.62	38.48
Total	**5,294.87**	**5,305.06**
Opening Stock		
Finished goods / stock-in-trade	29.79	92.90
Land	5,236.79	5,236.79
Work-in-progress	38.48	39.36
Total	**5,305.06**	**5,369.05**
Total (Increase) / Decrease In Stock	**10.19**	**63.99**

25. Employee benefit expense (₹ in Lacs)

Particulars	2019-20	2018-19
Salaries and wages	495.63	553.88
Contribution to provident and other funds	8.10	9.53
Staff welfare expenses	3.71	10.91
Gratuity (refer no.25.1)	12.67	13.50
Total	**520.11**	**587.83**

25.1 *Additional disclosures relating to Employee Benefit Obligations/ Expenses*

(I) Post Employment Defined Contribution Plan

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of ₹ 7,63,808/- (FY 2018-19: Rs 8,92,908/-) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

(ii) Post Employment Defined Benefit Plan-Gratuity (Funded)

The Company provides for Gratuity, a defined benefit retirement plan covering eligible employees.

A. Defined Contribution Plans

Contributions to defined contribution plans, recognised as expense for the year is as under :

Particulars	2019-20	2018-19
Employer's contribution to provident fund and pension fund	8.10	9.53

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

B. Defined Benefit Plans

Contributions to defined benefit plan is as under :

Change in defined benefit obligation	**2019-20**	**2018-19**
Opening defined benefit obligation	52.02	47.81
Service cost	8.63	9.80
Interest cost	4.04	3.70
Acturial losses (gains) due to change in financial assumption	4.09	(0.18)
Acturial losses (gains) due to experience adjustments	(7.69)	(7.40)
Benefit paid	(3.70)	(1.70)
Closing defined benefit obligation	**57.39**	**52.02**

Change in plan assets	**2019-20**	**2018-19**
Opening fair value of plan assets	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Acturial losses / (gains)	-	-
Benefits paid	-	-
Closing fair value of plan assets	**-**	**-**

Reconciliation of fair value of assets and obligations	**2019-20**	**2018-19**
Fair value of plan assets	-	-
Present value of obligation	57.39	52.02
Amount recognised in Balance Sheet	**57.39**	**52.02**

The net amount recognised in the Statement of Profit & Loss for the year ended 31st March,2020	**2019-20**	**2018-19**
Current service cost	8.63	9.80
Interest on obligation	4.04	3.70
Expected return on plan assets	-	-
Total recognised in the Statement of Profit & Loss	**12.67**	**13.50**

The net amount recognised in Other Comprehensive Income for the year ended 31st March,2020	**2019-20**	**2018-19**
Actuarial (Gains)/Losses on Obligation for the Period	(3.60)	(7.58)
Return on Plan Assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/ expense for the period recognised in OCI	(3.60)	(7.58)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	**2019-20**	**2018-19**
Discount rate	6.87%	7.77%
Annual increase in salary costs	6.50%	6.50%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected maturity analysis of undiscounted gratuity benefit is as follows:		
Projected benefits Payable in Future Years from the date of Reporting:	**2019-20**	**2018-19**
1st Following Year	15.64	14.01
2nd Following Year	1.00	1.09
3rd Following Year	2.35	1.96
4th Following Year	1.75	2.32
5th Following Year	2.95	1.98
Sum of Years 6 to 10	18.66	20.39
Sum of Years 11 and above	86.84	93.90

Sensitivity Analysis

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	2019-20	2018-19
Projected Benefit Obligation on Current Assumption	57.39	52.02
Delta Effect of +1% Change in Rate of Discounting	(4.50)	(4.08)
Delta Effect of -1% Change in Rate of Discounting	5.37	4.87
Delta Effect of +1% Change in Rate of Salary Increase	5.34	4.88
Delta Effect of -1% Change in Rate of Salary Increase	(4.56)	(4.16)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.09)	0.18
Delta Effect of -1% Change in Rate of Employee Turnover	0.06	(0.26)

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors.

Current and non current classification is done based on actuarial valuation certificate.

26. Finance costs (₹ in Lacs)

Particulars	2019-20	2018-19
Interest expense	932.10	782.33
Interest on preference shares	85.65	76.75
Total	**1,017.75**	**859.08**

27. Depreciation and Amortisation expense (₹ in Lacs)

Particulars	2019-20	2018-19
Depreciation	964.73	967.40
Total	**964.73**	**967.40**

28. Other expenses (₹ in Lacs)

Particulars	2019-20	2018-19
Manufacturing Expenses		
Stores, chemicals and packing materials	270.05	3,345.72
Electric power, fuel and water	1,529.56	2,425.30
Job Processing, Production royalty and machinery hire charges	807.27	1515.07
Repairs to machinery	24.04	117.15
Selling and Distribution Expenses		
Clearing and forwarding	-	1.19
Advertisement	0.81	0.97
Sales commission	18.98	44.79
Others		
Bank charges	0.48	0.31
ETP Waste Disposal Charges	0.39	1.51
Professional fees	81.05	155.95
Communication expenses	6.55	10.98
Printing and stationery	5.55	7.86
Freight and forwarding	59.65	106.28
Security charges	53.35	53.42
General expenses	40.47	48.82
Rent	0.55	0.55
Insurance	50.64	26.54

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

Particulars	2019-20	2018-19
Rates & Taxes	2.03	72.27
Repairs to buildings	0.27	0.86
Other repairs	3.26	9.13
Travelling & Conveyance	18.23	22.31
Interest on TDS	0.40	0.44
Penalty	0.01	-
Loss Due to Fire	21.61	-
VAT & Sales Tax	2.94	-
Interest on Indirect tax	3.96	-
Interest on late deposit of PF & ESIC	0.48	0.04
Payment to auditors	2.00	2.00
Sundry Balance Written off	32.17	52.71
Total	**3,036.76**	**8,022.17**

28.1 Break Up of Stores and Spares Consumed

Particulars	2019-20		2018-19	
	Amount Rs.	% of Total Consumption	Amount Rs.	% of Total Consumption
Imported	-	-	-	-
Indigeneous	16.70	100.00%	496.36	100.00%
Total	**16.70**	**100.00%**	**496.36**	**100.00%**

28.2 Auditor Remuneration & others (₹ in Lacs)

Particulars	2019-20	2018-19
As auditor :		
As auditors	1.50	1.50
For taxation matters	0.50	0.50
Total	**2.00**	**2.00**

28.3 Expenditure in Foreign Currency (₹ in Lacs)

Particulars	2019-20	2018-19
Travelling expenses	-	3.09
Purchase of spare parts of machinery	-	15.08
Total	**-**	**18.17**

28.4 Earnings In Foreign Currency (Amounts in Lacs)

Particulars	2019-20	2018-19
Exports		
Direct Exports (FOB Value)	-	3.61
Total	**-**	**3.61**

29 RELATED PARTY DISCLOSURES

As per the Indian Accounting Standard 24, disclosure of transactions with related parties (as identified by the management), as defined in the Indian Accounting Standard are given below:

I. Names of Related Parties & Description of Relationship

(A) Subsidiaries of Company :	NIL
(B) Key Managerial Personnel	Shri Pradip Karia, Managing Director Shri Chetan Karia, Whole Time Director Shri Vishal Karia, CFO & Whole Time Director Shri Jivansingh Negi, Independent Director Shri Gurpur Kamath, Independent Director Smt. Parul Thakore, Independent Director (upto 29th May, 2018) Smt. Zalpa Rathod, Independent Director (w.e.f. 29th May, 2018) Shri Amit Thakkar, President Shri Anil Agrawal, Vice President (Production) Shri A. N. Saboo, Vice President (HRD & Admin.) Shri Anand Shilpkar, Vice President (Technical) Shri Nigam Sathwara, Company Secretary
(C) Relatives of Key Managerial Personnel	Shri Chandrabhan S Agarwal Smt. Pooja Agrawal Smt. Sakshi Agrawal Shri Rushank A. Agrawal Smt. Kinjal Shilpkar Smt. Jayshreeben Karia Smt. Nisha B Karia Smt. Meenaben B Karia
(D) Enterprises over which (B) above have significant influence:	M/s Pradip Exports M/s. Astha Creations Pradip Enterprises Limited M/s Anu Impex

II. Nature and Volume of Transactions with Related Parties : (₹ in Lacs)

Particulars	Key Managerial Personnel (KMP) & relatives of KMP	Enterprises over which KMP have significant influence:
Remuneration to Key Managerial Personnel & their Relatives	95.70	-
Rent Income	-	3.00
Jobwork income	-	548.13

(₹ in Lacs)

REMUNERATION TO KEY MANAGERIAL PERSONNEL	2019-20	2018-19
Shri Pradip J. Karia	12.00	12.00
Shri Chetan Karia	9.00	9.00
Shri Vishal R. Karia	6.00	6.00
Shri Anil Agarwal	31.20	31.20
Shri A. N. Saboo	6.00	6.00
Shri Anand Shilpkar	4.80	4.80
Shri Nigam Sathwara, Company Secretary	4.50	3.00
Shri Jivansingh Negi	0.60	0.60
Shri Gurpur Kamath	0.60	0.60
Smt. Zalpa Rathod	0.60	0.45
Smt. Parul Thakore	-	0.15
TOTAL	**75.30**	**73.80**

(₹ in Lacs)

REMUNERATION TO RELATIVES OF KEY MANAGERIAL PERSONNEL	2019-20	2018-19
Smt. Pooja Agrawal	6.00	6.00
Smt. Sakshi Agrawal	4.80	4.80
Shri Rushank A. Agrawal	4.80	4.80
Smt. Kinjal Shilpkar	4.80	4.80
Smt. Jayshreeben Karia	-	6.00
Smt. Nisha B Karia	-	6.00
Smt. Meenaben B Karia	-	6.00
TOTAL	**20.40**	**38.40**

No amounts in respect of the related parties have been written off / back during the year.

30 Earning Per Share

Earning Per share is calculated by dividing the Profit / (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

(₹ in Lacs)

Particulars	2019-20	2018-19
Profit/(Loss) for the year	(3,107.31)	1,710.85
Less: Dividend on Preference Shares	-	-
Net Profit / (Loss) attributable to Equity Shareholders	(3,107.31)	1,710.85
Add\Less: Extra Ordinary Items	-	-
Profit / (Loss) after taxation before Extra Ordinary Items	(3,107.31)	1,710.85
Number of shares outstanding during the Year	48,440,183	48,440,183
Number of Equity Shares for Basic EPS	48,440,183	48,440,183
Add : Diluted Potential Equity Shares	-	-
Number of Equity Shares for Diluted EPS	48,440,183	48,440,183
Basic Earning Per Share	(6.41)	3.53
Diluted Earning Per Share	(6.41)	3.53
Nominal Value Per Share	10.00	10.00

31 Contingent Liabilities and Commitments

(₹ in Lacs)

Particulars	2019-20	2018-19
Contingent Liabilities		
Export obligation pending against advance license	51.90	49.58

31.1 <u>Details of pending litigations against the company:</u>

A. Appeal filed by Laxmi Vilas Bank Limited in Debts Recovery Appellate Tribunal (DRAT) Mumbai against the Company:

Laxmi Vilas Bank Limited (LVB) had instituted original application (O.A.) no. 84 of 2013 in Debts Recovery Tribunal (DRT) Ahmedabad against the company and others for recovery of its dues of ₹ 20.83 Cr. During the pendency of aforesaid O.A., the Debt and Securities were assigned by LVB to Phoneix ARC Private limited (Phoneix) on June 10, 2013 and LVB had filed an application for substituting phoenix as an original applicant in the aforesaid O.A. On May 31, 2013 a reference was made by the company to Corporate Debt Restructure cell to restructure its debt.

The DRT Ahmedabad had passed an order of rejecting aforesaid O.A on the ground that Restructuring package approved by CDR Cell is legally binding on all the banks including LVB and LVB has not given prior notice to CDR Cell of the assignment. Against the aforesaid order in O.A 84 /2013, LVB has filed an appeal in DRAT Mumbai wide appeal No. 106 of 2015.

The said appeal is dismissed by the DRAT-Mumbai Bench and issued order dated November 22, 2019 that the Tribunal was right in rejecting application, but not for the reasons that are recorded, but under the principle of dominus litis and for not following Section 5 (5) of the SARFAESI Act., Appeal is partly allowed by setting aside the findings of the Tribunal below in respect of Assignment Agreement dated June 10,2013, but upholding results of rejecting of the Application. Both the parties shall bear their own costs. All Miscellaneous Applications, if any, are dismissed as infructuous.

The Phonic ARC Private Limited (Phoenix) had issued notice under section 13 (2) of the SARFAESI Act, 2002 against the Company and on the basis of receipt of the said notice the Company had filed S.A bearing no. 46/2014 to the DRT-1, Ahmedabad to quash the notice issued by the Phoenix under the SARFAESI Act. The DRT-1, Ahmedabad had issued order dated August 28, 2014 by stating the reason that the rejection of substitution application as filed by LVB. The said Assignment Agreement was executed in favour of Phoenix is defective, it is held that Phoenix cannot step into role of Secured Creditor and on that ground quashed the notice issued by the Phoenix herein.

Hence, Phoenix had filed appeal before the DRAT, Mumbai vide appeal no. 229/2014 against the order dated August 28, 2014 in Securitisation Application (S.A) No. 46/2014 on the file of DRT-1, Ahmedabad.

The DRAT, Mumbai Bench has issued order dated November 22, 2019 that the matter has to be remitted back to Tribunal below to examine the case in accordance with law and to decide it independently examining whether notice u/s. 13(2) issued under the Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002 (SARFAESI), after giving opportunities to both parties, as expeditiously as possible. Both parties shall bear their own costs.

All miscellaneous Applications, if any, are dismissed as infructuous.

B. Cases filed by Laxmi Vilas Bank Limited u/s 138 of Neogtiable Instrument Act, 1881

(i) The Laxmi Vilas Bank Limited, Ahmedabad (LVB) has filed criminal complaint no. 1059 of 2013 against the company in Criminal Court of Ahmedabad for the dishonour of two cheques aggregating to ₹ 6 Cr. The case is pending before the Court for hearing.

(ii) The Laxmi Vilas Bank Limited, Ahmedabad (LVB) has filed criminal complaint no. 675 of 2013 in Criminal Court of Ahmedabad for the dishonour of four cheques aggregating to ₹ 10 Cr. The case is pending before the Court for hearing.

C. Application for Recovery of Debts filed by Canara Bank, Indian Overseas Bank and State Bank of India in DRT, Ahmedabad

- Canara Bank has filed an original application no. 165/2017 in Debt Recovery Tribunal -1, Ahmedabad for recovery of ₹ 406 Crs. The same is pending for hearing in DRT-1, Ahmedabad.
- Indian Overseas Bank has filed an original application no. 136/2017 in Debt Recovery Tribunal-1, Ahmedabad for recovery of ₹ 169.90 Crs. The same is pending for hearing in DRT-1, Ahmedabad.
- During the pendency of the cases in DRT-1 Ahmedabad, Canara Bank and Indian Overseas Bank has assigned the outstanding debt to Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent") - the designated "Asset Reconstruction Company" (ARC). Consequently, Invent has filed application for substitution of name as applicant in DRT-1 and therefore all correspondences with the DRT-1 are now involving "Invent" instead of Canara Bank and Indian Overseas Bank. The said matters are pending for further hearing.
- State Bank of India (formerly State bank of Patiala) has filed an original application no. 04/2018 in Debt Recovery Tribunal -1, Ahmedabad for recovery of ₹ 119.03 Crs. The same is pending for hearing in DRT -1, Ahmedabad.

Invent Assets Securitization & Reconstruction Pvt. Ltd. ("Invent") has filed Original Application no. 610 of 2019 in Debt Recovery Tribuanal-1, Ahmedabad for recovery of ₹ 1372.06 Crs. as stated by Invent into the aforesaid application. The Company has filed written statement against the Original Application of the applicant and the said matter is sub-judice for further pleading into aforesaid tribunal.

Future cash outflows in repect of the claims against the company are determinable only on receipt of judgements or decisions pending at the respective forums.

32 Segment Information

The company's business activity falls within a single business segment viz. 'Textile' and is managed organisationally as a single unit. However, it has customers in India as well as outside India and thus segment reporting based on the geographical location of its customers is as follows :

(₹ in Lacs)

Particulars	Within India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment revenue by location of customers:						
Sales / Income from operations	3,808.07	9,630.73		3.61	3,808.07	9,634.34
Segment Assets*	60,655.98	64,763.81	-	-	60,655.98	64,763.81
Net Additions to tangible and intangible assets	(56.30)	98.45	-	-	(56.30)	98.45

33 Additional Disclosures:

i GLOBAL HEALTH PANDEMIC - COVID-19

In the last quarter of financial year 2019-20, we have seen an unprecedented global breakout of the COVID-19 pandemic leading to a humanitarian crisis, lockdown across many countries and a significant economic fallout. The complexity and volatility continue to rise. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. The nationwide lockdown for 2 months which further got extended at various places to prevent community spread of COVID-19 resulted in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Investments, Loans, intangible assets, Goodwill, Trade receivable etc. the Company has considered internal and external information. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic conditions, the Company expects to recover the carrying amount of the assets.

In these uncertain times, as the economy, consumer and channel landscape rapidly evolve, the company continues to be agile and responsive to leverage market opportunities and navigate through the challenges. By staying close to consumers and their needs, the company ensures that its business continues to grow, while having a positive impact on people and the planet. The company's strategy is constantly evolving to adapt to the trends and forces shaping the markets and impacting company's stakeholders.

ii) Notice under Securitization & Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002

Canara Bank, Bank of India and Indian Overseas Bank have issued notices dated 20.06.2016, 27.06.2016 and 06.03.2017 respectively under section 13(2) of the Securitization and Reconstruction of Financial Asstes and Enforcement of Security Interest Act, 2002 ("SARFAESI Act, 2002") for assets of the company secured by hypothecation and mortgage and therefore the concept of the going concern of the Company may be adversely affected.

iii) Company's loan accounts have been classified as Non Performing Assets by the bankers. Some of the bankers have not charged interest on the said accounts and therefore provision for Interest (Other than upfront charges) has not been made in the books of accounts and to that extent loss and bankers loan liability has been understated. The extent of exact amount is under determination and reconcilation with the banks, however as per the details available with the Company, the amount of un-provided interest, on approximate basis, on the said loans {Other than the loans which are assigned to Invent Assets Securitisation Reconstruction Private Limited (Invent)} is as under:

(₹ In Crs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Corporate Loans and Working Capital Loans	9.18	9.40

iv) In the opinion of the management and to the best of their knowledge and belief, the value under the head of current and non-current assets (other than fixed assets and non-current investments) are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary.

v) The classification / grouping of items of the accounts are made by the management, on the basis of the available data with the Company and which has been relied upon by the auditors.

34. Risk measurement, Objectives and Policies

34.1 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks and how the Company is managing such risk.

34.2 The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents and various deposits. The Company manages its exposure to this credit risk by only entering into transactions with banks that have high ratings. The Company's treasury department authorizes, manages, and oversees new transactions with parties with whom the Company has no previous relationship.

(a) The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly.

The ageing analysis trade receivables from the date the invoice falls due is given below : (₹ in Lacs)

Particulars	As at 31.03.2020	As at 31.03.2019
Up to 3 months	1,212.51	1,897.14
3 to 6 months	933.92	1,649.83
6 to 12 months	1,360.71	1,449.48
Beyond 12 months	12,358.92	12,208.44
Gross Carrying Amount	**15,866.06**	**17,204.89**
Expected Credit Losses	-	-
Net Carrying Amount	**15,866.06**	**17,204.89**

(b) Details of single customer accounted for more than 10% of the accounts receivable as at 31st March 2020 and 31st March 2019

(₹ in Lacs)

Name of Customer	As at 31.03.2020	As at 31.03.2019
NIL	-	-

(c) Details of single customer accounted for more than 10% of revenue for the year ended as at 31st March 2020 and 31st March 2019 :

(₹ in Lacs)

Name of Customer	2019-20	2018-19
Astha Creations	548.13	1,020.97

34.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

However, in view of various unfavourable factors as set out in Note 15.1, the Company has been experiencing stressed liquidity condition. In order to overcome such situation, the Company has been taking measures to ensure that the Company's cash flow from business borrowing or financing is sufficient to meet the cash requirements for the Company's operations.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual discounted payments.

(₹ in Lacs)

Particulars	As at 31.03.2020			As at 31.03.2019		
	Less than 1 yr.	1 to 5 yrs.	Total	Less than 1 yr.	1 to 5 yrs.	Total
Trade payables	2,304.04	-	2,304.04	4,089.84	-	4,089.84
Non current borrowings	4.94	1,43,064.90	1,43,069.84	-	1,42,614.18	1,42,614.18
Total	**2,308.98**	**1,43,064.90**	**1,45,373.88**	**4,089.84**	**1,42,614.18**	**1,46,704.02**

34.4 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

a) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in it total portfolio.

b) Foreign currency risk

Though company operation are mainly in domestic market, company is exposed to foreign exchange risk arising from foreign currency transactions, with respect to export of goods and short term borrowings in USD. Foreign exchange risk arises from commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

i) The company has no borrowings in foreign currency so it has no exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

ii) If the functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 5% and strengthens by 10%, the changes in gain or loss for the years ended 31 March 2020 and 31 March 2019 were as follows: (there are no foreign currency transactions in 2019-20) (₹ in Lacs)

Particular	Impact on PBT	
	Year ended 31 March 2020	Year ended 31 March 2019
USD		
5% Increase	-	0.18
10% Increase	-	0.36
5% Decrease	-	(0.18)

c) Commodity Price Risk

Principal raw material for company's products is Grey cloth. Company sources its raw material requirements from domestic markets as well as International markets. Volatility in cotton prices coupled with demand-supply scenario in the domestic and international market affect the effective price of the compamy's principal raw material. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through approprate contracts and commitments.

d) Sensitivity Analysis

The table below summarises the impact of increase/decrease in prices of grey cloth on profit for the period.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2020 (Contd...)

Particulars	Impact on PBT	
	2019-20	2018-19
Increase in price of raw material by 10%	(29.66)	(267.02)
Decrease in price of raw material by 10%	29.66	274.72

35. Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

Particulars	As at 31.03.2020	As at 31.03.2019
Borrowings	143,069.84	142,628.27
Less: Cash & Cash Equivalents	12.67	61.08
Net Debt (A)	**143,057.16**	**142,567.19**
Total Equity (B)	(86,005.15)	(82,901.44)
Equity and Net Debt [(C) : (A)+(B)]	**57,052.01**	**59,665.75**
Gearing Ratio [(A)/(C)]	2.51	2.39

36. In terms of Ind AS 36, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets, was not material and hence no provision is required to be made.

37. The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of July 23, 2020, there were no subsequent events to be recognized or reported that are not already previously disclosed.

As per our Report of even date

For Vijay Moondra & Co.
Chartered Accountants
Registration No.: 112308W
Sd/-
(CA Vinit Moondra)
Partner
Membership No.: 119398

Place : Ahmedabad
Date : July 23, 2020

For and on behalf of the Board

Sd/-
(Pradip Karia)
Chairman & MD
(DIN: 00123748)

Sd/-
(Vishal Karia)
WTD & CFO
(DIN: 00514884)

Sd/-
(Nigam Sathavara)
Company Secretary
(ACS-38915)

If undelivered, please return to :

PRADIP OVERSEAS LTD.

(CIN : L17290GJ2005PLC046345)

Corporate Office :

A/601, Narnarayan Complex,
Swastik Cross Road, Navrangpura,
Ahmedabad - 380 009. (INDIA)
Phone: 079-2656 0630/99798 51441
Website: www.pradipoverseas.com