# OSWAL OVERSEAS LIMITED

## 36TH ANNUAL REPORT

## 2019-20

# OSWAL OVERSEAS LIMITED

**BOARD OF DIRECTORS**

| | |
|---|---|
| 1. Mr. Paramjeet Singh | Managing Director |
| 2. Mr. Anoop Kumar Srivastava | Director |
| 3. Mr. Rakesh Thapar | Independent Director |
| 4. Mrs. Ruchi Dawar | Woman cum Independent Director |
| 5. Mr. Rajinder Pal Singh | Independent Director |

**COMPANY SECRETARY**
Mr. Lalit Kumar

**CHIEF FINANCIAL OFFICER**
Mr. Aijaz Ahmad

**CHIEF EXECUTIVE OFFICER**
Mr. Vimalendu Satyam (till 14.11.2019)
Mr. Vijay Kumar Mishra (w.e.f 22.11.2019)

**AUDITORS**
Kansal Jain and Associates
(Formerly known as N. J. & ASSOCIATES)
Chartered Accountants,
FRN 023083N
Chandigarh-160017

**BANKERS**
HDFC Bank
State Bank of India

**REGISTERED OFFICE**
72, Ground Floor,
Taimoor Nagar,
Opp. New Friends Colony,
New Delhi-110025

**Sugar Factory**
Village: Aurangabad
Tehsil: Nawabganj
Dist.: Bareilly- 243406 (U.P)

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**OSWAL OVERSEAS LIMITED**
**CIN: L74899DL1984PLC018268**
**Registered Office: 72, Ground Floor, Taimoor Nagar, New Delhi– 110025**
**Phone: (011) 41064256, Fax: (011)26332465, Email: cs@oswaloverseasltd.com**

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF OSWAL OVERSEAS LIMITED (CIN L74899DL1984PLC018268) WILL BE HELD ON TUESDAY, 30TH SEPTEMBER, 2020 AT 01:00 P.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANSACT THE FOLLOWING BUSINESSES:-**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020, together with the Report of the Directors and Auditors' thereon.
2. To appoint a director in place of Mr. Anoop Kumar Srivastava (DIN: 07052640), who retires by rotation and being eligible offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
   **Payment of Remuneration to Cost Auditors for Financial Year 2019-2020**
   **"RESOLVED THAT** pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s M K Singhal & Co., Cost Accountants (Firm's Registration No. 00074) appointed as cost auditors by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year ending 31st March, 2021 at Rs. 50,000/- plus out of pocket expenses and applicable taxes be and is hereby ratified."

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

   **"RESOLVED THAT** pursuant to the provisions of Sections 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') framed there under, as may be amended from time to time and the Memorandum and Articles of Association of the Company and any rules, regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such terms, conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee thereof or any other person(s) for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to invite/ offer, issue and allot 30,00,000 Non-Convertible Redeemable Preference Shares ('NCRPS') of Rs. 10/- (Rupees Ten Only) aggregating to Rs. 3,00,00,000/- (Three Crore Only), in one or more tranche(s) for cash at par, on Private Placement Basis to the persons, as may be decided by the Board of Directors of Oswal Overseas Limited."

   **"RESOLVED FURTHER THAT** in accordance with the provisions of Section 43 of the Act, the each "NCRPS" shall:
   a) carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital;
   b) be non-participating in the surplus funds ;
   c) be non-participating in the surplus assets and profits, on winding up which may remain after the entire capital has been repaid;
   d) be paid dividend on a non-cumulative basis;
   e) have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Act;
   f) be redeemable within 20 years.

   **"RESOLVED FURTHER THAT** these Preference Shares shall carry a dividend of 0.1 percent per annum and the same shall accrue from the date of allotment thereof to each shareholder."

   **"RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine size of each tranche(s), rights entitlement ratio, timing of the offer and various other matters in respect thereof and to settle any question, doubt or difficulty which may arise in regard to the offers or allotment and to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to aforesaid resolutions."

   **"RESOLVED FURTHER THAT** for the purpose of giving effect to the resolution, Mr. Paramjeet Singh, Managing Director of the Company and / or Mr. Lalit Kumar, Company Secretary and Compliance Officer of the Company be and is/ are hereby authorized to do all such acts deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to issue of Preference Shares."

**By order of the Board**
**of Oswal Overseas Limited**

**Sd/-**
**Lalit Kumar**
**Company Secretary**

**Date: 31.08.2020**
**Place:** New Delhi

**Notes:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business listed in item nos. 4of the Notice is annexed hereto and forms part of this Notice.

2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and share transfer books of the Company shall remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") 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 is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
4. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories /Registrar and Share Transfer Agent of the Company. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.oswaloverseasltd.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, and on the website of CDSL i.e. www.evotingindia.com.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time 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 (one thousand only) members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders 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. But our members are less that the limit, so our every member can join the meeting through VC/OAVM.
6. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment/ appointment at this AGM is annexed.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
8. Pursuant to Section 113 of the Act, Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution/Power of Attorney from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email address to the Company at cs@oswaloverseasltd.com mentioning the name of the Company in the subject line.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. **As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Beetal Financial & Computer Services (P) Limited for assistance in this regard.**
11. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall use any of the electronic mode of payment facility approved by the Reserve Bank of India for the payment of dividend. Members holding shares in Demat mode are requested to submit their Bank details viz. Bank Account Number, Name of the Bank, Branch details, MICR Code, IFS Code to the Depository Participants with whom they are maintaining their demat account and Members holding shares in physical mode are requested to submit the said bank details to the Company's Registrar & Transfer Agents.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Company's Registrar & Transfer Agents.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company in case the shares are held by them in physical form. **Members are requested to update their E-mail Address with their Depository Participants to enable the Company to send communications electronically and with the Company in case the shares are held by them in physical form.**
14. Members who are holding shares in identical order of names in more than one folio are requested to write to the Share Department of the Company, enclosing the shares certificates to enable the Company to consolidate their holdings in one folio. The share certificates will be returned to the members after making necessary endorsements in due course.
15. It will be desirable that queries, if any, on the accounts and operation of the Company are sent to the Company 10 days in advance of the meeting so that the answers may be made readily available, which would be appreciable. Please note that the shareholders' questions will be answered only if the shareholder continues to hold the shares as of cut-off date i.e. Wednesday, September 23, 2020.
16. The shares of the Company are being compulsorily traded in dematerialized (i.e. electronic form only) in the Bombay Stock Exchange. **If you are still holding the shares in physical form, you are advised to dematerialize your shares. For your information ISIN No. of the company is INE906K01027 for both the depositories, viz National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL).**
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by

submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's Registrar & Transfer Agents in case the shares are held in physical form.

**18.** All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID cs@oswaloverseasltd.com till the date of AGM.

**19.** At the Thirty Third AGM held on September 25, 2017 the Members approved appointment of M/s. N J & Associates, Chartered Accountants, (Firm Registration No. 023083N), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Thirty Eighth AGM to be held in year 2022, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the Thirty Sixth AGM.

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

**21. In compliance with the provisions of Clause 14 of Secretarial Standards on General Meetings no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the Meeting.**

**22. Voting:**

**(i)** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

**(ii)** The Board of Directors of the Company has appointed Mr. Anuj Kumar Malik, a Company Secretary in practice, (Membership no. A42273, CP NO. 16061)to act as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.

**(iii)** The Results shall be declared within 48 hours after the conclusion of the Annual General Meeting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.oswaloverseasltd.com and on the website of CDSL immediately after the declaration of Result. The results shall also be forwarded to the stock exchange where the shares of Company are listed i.e. BSE Limited.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

(i) The voting period begins on 27th September, 2020 at 9.00 a.m. and ends on 29th September 2020 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

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

(iv) Click on Shareholders /Members module.

(v) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

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

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) 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 digits alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.<br>In case the sequence number is less than 8 digits enter the applicable number of '0' before the number after the first two characters of the name in CAPITAL letters e.g. If your name is Ramesh Kumar with sequence number 100 then enter RA00000100 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.<br>• 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 (v). |

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

(x) 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 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.

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

(xii) Click on the EVSN of Singer India Limited on which you choose to vote.

(xiii) 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.

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

(xv) 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.

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

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

(xviii) 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.

(xix) 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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; cs@oswaloverseasltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to 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 or send an email to helpdesk.evoting@cdslindia.comor call on 022-23058542/43.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are 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.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

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.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their requisition advance at least 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at cs@oswaloverseasltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at cs@oswaloverseasltd.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

| Sr. No. | Name of the Directors | Mr. Anoop Kumar Srivastava (Director) |
|---|---|---|
| 1. | Director Identification Number (DIN) | 07052640 |
| 2. | Date of Birth | 13.03.1978 |
| 3. | Permanent Account Number (PAN) | BGUPS7161P |
| 4. | Date of Appointment on the Board | 31.03.2015 |
| 5. | Qualifications | B-Com |
| 6. | Experience and Expertise in specific functional area | 12 years' experience in IT management and 6 years' experience in export management |
| 7. | No. of equity shares held in the Company (as on 31st March, 2020) | NIL |
| 8. | List of other directorships | AMRIT RESTAURANTS AND HOTELS PRIVATE LIMITED |
| 9. | Relationships between directors inter-se | No |
| 10. | Name of other listed companies in which he/ she holds the directorship and membership of committees | NIL |

**OSWAL OVERSEAS LIMITED**
**CIN: L74899DL1984PLC018268**
**Registered Office: 72, Ground Floor, Taimoor Nagar, New Delhi– 110025**
**Phone: (011) 41064256, Fax: (011)26332465, Email: cs@oswaloverseasltd.com**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4**

Pursuant to Section 148 of the Companies Act, 2013 the Company has to audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of M K Singhal & Co., Cost Accountants (Firm's Registration No. 00074) of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31st March, 2021, at a remuneration of Rs. 50,000/- plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2021.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

**Item No. 5**

Presently the paid up share capital of the company is Rs. 12,46,10,500/- divided into equity shares of Rs. 6,46,10,500/- and Preference shares of Rs. 6,00,00,000/- only. As planning part for capital restructuring of the company, the company wants to increase its paid up capital by issue of Non-Convertible Redeemable Preference Share Capital.

The issue of Non-Convertible Redeemable Preference Share is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company.

Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') framed there under, inter alia, requires a company to obtain the prior approval of the Shareholders, by way of a Special Resolution for issuance of preference shares.

Accordingly, the approval of the Members is being sought, by way of a Special Resolution, to offer and issue, in one or more tranche(s), Non-Convertible Redeemable Preference Shares ('NCRPS') at par on a Private Placement Basis.

Furthermore, as per Section 42 of the Act, read with the Rules framed there under, a company offering or making an invitation to subscribe to securities, including Redeemable Preference Shares on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution, for each of the offers and invitations. Section 62 of the Act read with the Companies (Share Capital & Debentures) Rules, 2014, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a company by issue of further shares, such shares may be offered to any persons, whether or not those persons are holders of the equity shares of the company or employees of the company, if authorized by way of a Special Resolution.

The approval of the Members is accordingly being sought by way of a Special Resolution under above Sections of the Companies Act 2013 read with the Rules made there under, for the issue of Non-Convertible Redeemable Preference Shares aggregating an amount not exceeding Rs. 3 crore and to offer and allot the Non-Convertible Redeemable Preference on a Private Placement Basis on the terms and conditions set out hereunder.

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the NCRPS are as under:

| | | |
|---|---|---|
| a | the size of the issue and number of preference shares to be issued and nominal value of each share | 30,00,000 Non-Convertible Redeemable Preference Share of Rs. 10/- each for an amount not exceeding Rs. 3 crore in one or more trench (s) |
| b | the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non – convertible | Non-cumulative, Non-participating, Non- Convertible Preference shares |
| c | the objectives of the issue; | To increase the net worth of the Company and for general corporate purposes |
| d | the manner of issue of shares and date of passing the Board resolution | Private Placement Basis<br>31.08.2020 |
| e | the price at which such shares are proposed to be issued; | At par |
| f | the basis on which the price has been arrived at; | Not applicable as shares are being issued at par |
| g | the terms of issue, including terms and rate of dividend on each share, etc.; | The shares shall carry a fixed non-cumulative dividend at a rate of 0.1% on the capital for the time being paid-up thereon |
| h | the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the | Redemption within 20 years at par with or without a put/ call option as may be determined by the Board. |

<table>
<tr><td></td><td>terms of conversion;</td><td></td></tr>
<tr><td>i</td><td>the manner and modes of redemption;</td><td>Redemption at par in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.</td></tr>
<tr><td>j</td><td>the current shareholding pattern of the company;</td><td>
A. Equity Shares
<table>
<tr><th>Category Code</th><th>Category of Shareholder</th><th>No. of shareholders</th><th>No. of shares held</th><th>% to Total Holding</th></tr>
<tr><td>(A)</td><td>Shareholding of Promoter and Promoter Group</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Indian</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Individuals/ HUF</td><td>4</td><td>4838950</td><td>74.89</td></tr>
<tr><td></td><td>Sub Total (A)</td><td>4</td><td>4838950</td><td>74.89</td></tr>
<tr><td>(B)</td><td>Public Shareholding</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Non institution</td><td></td><td></td><td></td></tr>
<tr><td>(a)</td><td>Bodies Corporate</td><td>3</td><td>800</td><td>0.01</td></tr>
<tr><td>(b)</td><td>Individuals</td><td>316</td><td>1163200</td><td>18.00</td></tr>
<tr><td>(c)</td><td>Others</td><td>11</td><td>458100</td><td>7.09</td></tr>
<tr><td></td><td>Sub Total (B)</td><td>330</td><td>1622100</td><td>25.11</td></tr>
<tr><td></td><td>GRAND TOTAL (A)+(B)</td><td>334</td><td>6461050</td><td>100</td></tr>
</table>
B. Non-Convertible Redeemable Preference Shares
<table>
<tr><th>Category Code</th><th>Category of Shareholder</th><th>No. of shareholders</th><th>No. of shares held</th><th>% to Total Holding</th></tr>
<tr><td>(A)</td><td>Shareholding of Promoter and Promoter Group</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Indian</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Individuals/ HUF</td><td>6</td><td>60,00,000</td><td>100</td></tr>
<tr><td></td><td>Sub Total (A)</td><td>6</td><td>60,00,000</td><td>100</td></tr>
<tr><td>(B)</td><td>Public Shareholding</td><td></td><td></td><td></td></tr>
<tr><td></td><td>Non institution</td><td></td><td></td><td></td></tr>
<tr><td>(a)</td><td>Bodies Corporate</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>(b)</td><td>Individuals</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>(c)</td><td>Others</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td>Sub Total (B)</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td>GRAND TOTAL (A)+(B)</td><td>6</td><td>60,00,000</td><td>100</td></tr>
</table>
</td></tr>
<tr><td>k</td><td>the expected dilution in equity share capital upon conversion of preference shares.</td><td>Nil, since the Non-Convertible Redeemable Preference Share are non-convertible</td></tr>
<tr><td>l</td><td>Payment Terms</td><td>The entire issue price of Rs. 10/- per NCRPS shall be payable upfront on application.</td></tr>
<tr><td>m</td><td>Variation in terms of NCRPS</td><td>Any variation in the terms of the NCRPS after allotment thereof will be valid only if consented to by all holders of the NCRPS and in accordance with applicable provisions of the Companies Act, 2013 or any statutory modification thereof and Rules framed there under.</td></tr>
</table>

A statement of disclosures as required under Rule 14(2) of the Companies (Prospectus and Allotment) Rules, 2014 are as under: -
The basis or justification of for the price (including premium, if any) at which the offer or invitation is being made –
Not applicable as shares are being issued at par.

Accordingly, the consent of the members is sought for passing a Special Resolution as set out at Item No. 5 of the Notice.

The Directors or Key Managerial Persons of the Company or their respective relatives may be deemed to be concerned or interested in the Resolution at Item No. 5 to the extent of the Non-Convertible Redeemable Preference Share that may be subscribed to by them or by the companies / firms in which they are interested.

**OSWAL OVERSEAS LIMITED**
**CIN: L74899DL1984PLC018268**
**Registered Office: 72, Ground Floor, Taimoor Nagar, New Delhi– 110025**
**Phone: (011) 41064256, Fax: (011)26332465, Email: cs@oswaloverseasltd.com**

Dear Members,

**Sub: Updation of KYC Details in the Master Data**

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company, through periodic communiques, advises such shareholders to notify to the Company, any change in their address/ bank details /email Id etc. under the signatures of sole/ first named joint holder along with relevant supporting documents.

SEBI vide its Circular dated 20th April, 2018 had also greatly emphasized on collection of the Bank Account details and the PAN details of the shareholders in order to enable Companies/ RTA to raise standards and provide improved services to the Shareholders. In this background, we are attaching herewith a KYC Form for all the shareholders holding shares in physical form to get all their details updated in the Master Data.

**Kindly note that this Form is only for the purpose of master data Updation of Shareholders holding Shares in Physical form.**

In case of Dematerialised Shareholding, the Company takes note of the details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to furnish your details updated in the master data and submit the attached KYC Form to the Company at its Registered Office at Oswal Overseas Limited, 72, Ground Floor, Taimoor Nagar, New Delhi – 110065.

Shareholders holding shares in physical mode are accordingly advised to get in touch with any Depository Participant having registration with SEBI to open a Demat account and get their physical holding converted into dematerialized form. You may also visit web site of depositories viz., NSDL or CDSL for further understanding about the Demat procedure.

Assuring you of our best services.

**Thanking you.**
**Yours faithfully,**
**For Oswal Overseas Limited**
**Sd/-**
**(Lalit Kumar)**
**Company Secretary& Compliance Officer**

Encl.: KYC Form

**OSWAL OVERSEAS LIMITED**
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# KYC FORM

(Only for physical shareholding)

To
**Secretarial Department**
**Oswal Overseas Limited**
72, Ground Floor, Taimoor Nagar
New Delhi – 110065

Dear Sir/Madam,

I/ We furnish below our folio details along with PAN and Bank mandate details for updation and confirmation of doing the needful. I/ we are enclosing the self-attested copies of PAN cards of all the holders, original cancelled cheque leaf, Bank pass book and address proof viz., Aadhaar card as required for updation of the details:

| | |
|---|---|
| Folio No. | |
| Address of the 1st named shareholder as per the share certificate | |
| Mobile No. | |
| E-Mail id | |

| | |
|---|---|
| Bank Account Details : (for electronic credit of unpaid dividends and all future dividends) | |
| Name of the Bank | |
| Name of the Branch | |
| Account Number (as appearing in your cheque book) | |
| Account Type (Saving/ Current/ Cash Credit) | |
| 9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification | |
| 11 Digit IFSC Code | |

| | **PAN No.** | **Name** | **Signature** |
|---|---|---|---|
| First Holder : | | | |
| Joint Holder 1 : | | | |
| Joint Holder 2 : | | | |

Date:
Place:

*Note: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholder(s).*

# Director's Report

**To,**
**The Members,**
**OSWAL OVERSEAS LIMITED**

Your Directors have pleasure in presenting their 36th Annual Report on the business and operations of the Company and the Audited Accounts of your Company for the Financial Year ended March 31, 2020.

## 1. Financial Results

**(Amount in Lakhsexcept for EPS)**

| Particulars | For the Financial year ended on 31st March 2020 | For the Financial year ended on 31st March 2020 |
|---|---|---|
| Revenue from operations | 17173.10 | 7909.35 |
| Other Income | 313.77 | 198.73 |
| Total Income | 17486.87 | 8108.08 |
| Increase/Decrease in WIP and Finished Goods | 3289.07 | (5252.05) |
| Profit/Loss before Depreciation, Finance Cost and Taxes | 587.36 | 458.07 |
| Financial Charges | 569.94 | 246.86 |
| Depreciation | 260.02 | 278.02 |
| Profit / Loss before tax | 27.40 | (66.80) |
| Profit/Loss after Tax | 24.90 | 86.82 |
| Other Comprehensive Income, net of tax | (4.58) | 1.32 |
| Total Comprehensive Income | 20.32 | 88.15 |
| Earnings per Equity share of Rs. 2/- Basic (Rs.) | 0.39 | 1.34 |
| Earnings per Equity share of Rs. 2/- Diluted (Rs) | 0.39 | 1.34 |

## 2. Operational performance:

| Particulars | For the Financial year ended on31st March 2020 | For the Financial year ended on 31st March 2019 |
|---|---|---|
| **Sugar Division** | | |
| Start of crushing season | 17/11/2019 | 15/11/2018 |
| Close of crushing season | 12/05/2020 | 25/04/2019 |
| Duration(Days) | 177 | 161 |
| Recovery (%) | 11.02 | 10.42 |
| Cane crushed (Qtls) | 4180422 | 3481480 |
| **Production (Qtls)** | | |
| White Sugar (Qtls) | 458580 | 360480 |
| BISS Sugar (Qtls) | 1850 | 2230 |
| Molasses (Qtls) | 192628 | 172218 |

## 3. Operations:

Total Income of the Company has increased from Rs. 8108.08 Lakh (2018-19) to Rs. 17486.87Lakh (2019-20). This year your company gets the net profit after tax of Rs. 24.90 Lakh against a Net profit after tax of Rs. 86.82 Lakh in the previous year.

## 4. Response to Covid-19

The Covid-19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments has impacted business in general. However, since the Company is engaged in the manufacture of sugar, generation of power which falls under the category of essential commodities, there was no material impact on the business of the Company. The operations of the Company are being carried out in the normal course in accordance with the directives issued by the central and State Government.

Company's sugar plant is in the state of Uttar Pradesh had completed their crushing season and hence, there was no impact on the same.

Owing to the lock-down, demand for sugar was sluggish, however, as the sugar is sold as per the allotted quota, the impact on business is minimal. With the opening of lockdown, the demand of sugar is gradually rising to its normal level.

The employees of the registered office worked as per "Work from Home" policy. The Registered office of the Company has resumed functioning with minimum strength as per the guidelines of the State Government. The Company is complying with all the norms related to social distancing, thermal scanning, wearing of facemask, proper sanitization and hygiene at all its locations including factories to ensure smooth functioning of operations.

Due to unpredictable and fast changing COVID-19 situation, it is very difficult to assess the future impact of COVID-19 on business operations. At this time the Company does not foresee any significant impact on the operational results and the financial health as sugar which the Company is manufacturing is essential commodity. The consumption of sugar may be lower as there are curbs on

social gathering and outings and also facing reduced off-take from beverage and other FMCG companies amid the lockdown, however this led to fall the price of the sugar in domestic and international market.

**Details of impact of Covid-19 on listed entities:**

a. **Capital and financial resources:** Company's capital and financial resources are well placed and have not been impacted because of the Covid-19.

b. **Ability to service debt and other financing arrangements:** All the debts/ installments/ interests/ dues as per repayment schedule have been made except the installment for which moratorium application filed to the bank for extensions and the Company does not foresee any difficulty in meeting its future financial commitments as well.

c. **Assets:** The Company does not foresee any challenge in realizing its assets.

d. **Internal financial reporting and control:** There was no major impact as the Company has robust internal financial controls in place and even during lockdown, the IT/ reporting systems worked seamlessly.

e. **Demand for its products/ services:** Owing to the lock-down demand for sugar, was impacted to some extent. With the opening of lockdown the demand of sugar is gradually coming to its normal level.

The Company is well positioned to fulfill its obligations under the contracts and also does not foresee any problem in respect of its agreements, sale of power where the non-fulfillment of obligations by any party would lead to any material impact on the business of the Company.

**5. Material Changes & Events after Balance Sheet Date**

**Sub-division of Equity Shares**
The company has done the sub-division of 1 Equity share of the face value of Rs. 10/- each into face value of Rs. 5/- each as per the consent received from the members through postal ballot on April 7, 2020. The record date for the same was 14th August, 2020.

After sub-division of equity shares of the company, the equity shares capital of the Company are as under –

| Particulars | Equity Capital | |
|---|---|---|
| | No. of Shares | Amount – (Rs.) |
| Authorised Capital | 52000000 | 260000000/- |
| Issued Capital – Face Value Rs. 5/- | 12922100 | 64610500/- |
| Paid-up Capital – Face Value Rs. 5/- | 12922100 | 64610500/- |

**New ISIN of Equity Shares**
Pursuant to sub-division of equity shares of the company, new ISIN has been issued to the company and also activated by the Depository on 11th Day of August, 2020. The new ISIN is **INE906K01027**.

**6. Dividend**
During the year under review, your Directors have not recommended any dividend for the financial year ended 31st March 2020.

**7. Significant and Material orders passed by the regulators or courts or tribunals impacting the going concern of the company**
There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**8. INDIAN ACCOUNTING STANDARDS (IND AS), 2015**
The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**9. Internal controls system and their adequacy**
The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies & Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Control and Systems followed by the Company.

**10. Management Discussion and Analysis Report:**
In terms of the provisions of Regulation 34(2)(e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Management Discussion and Analysis Report forms part of this report and annexed thereto.

**11. Deposits**
During the year under review, your Company has not accepted any deposits from public within the meaning of Sections 73 and 74 of the Companies Act, 2013 (the "Act") and the Companies (Acceptance of Deposits) Rules, 2014.

**12. Particulars of Loans, Guarantee or investments**

During the year under review, your Company has not made any loan, or given any guarantee or provided any security and/ or made investments and thus the compliance of Section 186 of the Companies Act, 2013 is not applicable.

**13. Auditors**

**Statutory Auditor**

At the 34th Annual General Meeting held on 24.09.2018, M/s. Kansal Jain & Associates (Formerly known as N J & Associates), Chartered Accountants, (Firm Registration No. 023083N), was appointed as statutory Auditor of the Company for a term of 5 consecutive years to hold office from the conclusion of 34th Annual General Meeting till the conclusion of the 39th Annual General Meeting to be held in the calendar year 2023. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

**Secretarial Auditors**

Pursuant to the provision of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personal) Rules, 2014, the Company had appointed M/s Malik Anuj & Company, Company Secretaries (C. P. No. 16061) to undertake the secretarial audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as "Annexure – 1".

**Internal Auditor**

M/s. Ajay Krishna & Co., Chartered Accountants, (FRN No. - 012453C) Dehradun (Uttarakhand) represented by Mr. A. K. Rastogi performs the duties of internal auditors of the Company for the financial year 2019-20and their report is reviewed by the Audit Committee from time to time.

**Cost Auditor**

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. M. K. Singhal & Co., Cost Accountants, Firm's Registration No. 00074, Modinagar, Uttar Pradesh, as the Cost Auditor to audit the cost records for the financial year ending 31st March 2021. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. M. K. Singhal & Co., Cost Accountants, forms part of Notice convening 36th AGM of the Company, along with relevant details, including the proposed remuneration.

In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Act.

**Certificate on Corporate Governance**

As required by SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the certificate on Corporate Governance is annexed herewith as "Annexure – 4". The certificate for the financial year 2019-20 does not contain any qualification, reservation or adverse remark.

**14. Share Capital**

Authorised share capital of the company is Rs. 36,00,00,000/- divided into 2,60,00,000 equity shares of Rs. 10/- each only and 1,00,00,000 preference share of Rs. 10/- each only as on 31st March, 2020. Total Paid up share capital of the company is Rs. 12,46,10,500/- divided into 64,61,050 equity shares capital of Rs. 10/- each and 60,00,000 Non-convertible Redeemable Preference Share Capital of Rs. 10/- each.

**15. Depository System**

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). 75.39% of the total shareholding of the Company was held in dematerialized form as on 31st March 2020.

**16. Change in nature of Business**

There has been no change in the nature of business of the Company.

**17. Human Capital**

Relations with employees continued to be cordial and harmonious. HR policies of the Company are aimed at attracting, motivating, and retaining employees at all levels.

**18. Investor Education And Protection Fund (IEPF)**

During the year under review, no amount was required to be transferred in the IEPF pursuant to the provisions of section 125 of Companies Act, 2013.

**19. Extract of the annual return**

In accordance with Section 134(3) of the companies Act, 2013 an extract of the annual return in Form MGT – 9 is annexed herewith as "Annexure – 2."

**20. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8, of The Companies (Accounts) Rules, 2014 is Annexed herewith as "Annexure – 3."

**21. Directors and Key Managerial Personnel:**

**A) Change in Directors**

1. Mr. Paramjeet Singh, Managing Director of the Company has been re-appointed as Managing Director of the Company for a term of five years w.e.f. 31.03.2020 (as his tenure was going to completed on 30.03.2020) by shareholders through postal ballot on 20th December, 2019.
2. Ms. Ruchi Dawar, Independent Director of the company has completed the tenure of one year on 01.11.2019 and reappointed for second term of two years w.e.f. 20th December, 2019 by shareholders through postal ballot.
3. Mr. Rakesh Thapar, Independent Director of the company was appointed by the Board of directors on 09.11.2019 as Additional Independent Director and regularized by the shareholders through postal ballot on 20th December, 2019.

**B) Re-appointment**

As per the provisions of the Companies Act, 2013, Mr. Anoop Kumar Srivastava, Director retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

**C) Change in KMPs**

1. Mr. Ashok Kumar, Chief Executive Officer of the Company has resigned from the post of CEO w.e.f. 30.06.2019.
2. Mr. Vimalendu Satyam was appointed as the Chief Executive Officer of the company w.e.f. 12.07.2019 by the Board of Directors of the Company and Mr. Vimalendu Satyam has resigned from his post w.e.f. 14.11.2019.
3. Mr. Vijay Kumar Mishra, GM Electrical was appointed as the Chief Executive Officer of the Company by the Board of Directors on 22.11.2019.

**22. Number of meetings of the Board of Directors**

During the financial year 10 (Ten) Board Meeting and 1 (one) independent directors meeting were held. The details of which are given in Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

**23. Committees of the Board of Director of the Company**

Currently the Board has three committees: the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The details with regards to the composition and meetings held during the financial year 2019-20 are in the Corporate Governance Report.

**24. Policy on Director's appointment and Remuneration**

The current policy is to have an appropriate mix of executives and independent directors to maintain the independence of the Board, and separate its function of governance and management. On March 31, 2020, the Board consist of five members, one of whom is executive, one is non-executive and three are independent directors.

The policy of the company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of Director and other matters, as required under sub-section (3) of section 178 of the companies Act, 2013, is available on our website (www.oswaloverseasltd.com). We affirm that the remuneration paid to the directors as per terms laid down in the Nomination and Remuneration Policy of the company.

**25. Declaration by Independent Directors**

The company has received necessary declaration from independent directors under section 149(7) of the Companies Act, 2013, that he/ she meet the criteria of independence as laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**26. Board Evaluation**

SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board Dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking board and committee's effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committee and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation process has been explained in the Corporate Governance Report.

**27. Familiarization Programme of Independent Directors**

All new independent director inducted in to the Board attain an orientation program. The details of training and familiarization program are provided in the Corporate Governance Report and are also available on our website (www.oswaloverseasltd.com).

**28. Code of Conduct for the prevention of Insider Trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the provision of the requirements of SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the company lays down guidelines and procedures to be followed, and disclosure to be made while dealing in the shares of the company, as well as consequences of the violation.

The Insider Trading Policy of the Company covering code of Practice and procedure of fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on our website (www.oswaloverseasltd.com).

**29. Vigil Mechanism/ whistle blower policy**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website (www.oswaloverseasltd.com) of the company. There has been no change to the Whistle Blower Policy adopted by the company during the financial year 2019-20.

**30. Managerial Remuneration & Particulars of employees:**

A. Due to financial constraints being faced by the company no one director receiving any remuneration from the company. Further no sitting fees have been paid to any directors during the year.

B. No increase in the remuneration of director in the financial year

C. Increase in remuneration of chief financial officer, chief executive officer, company secretary of the company in the financial year is as follow –

| Designation | Remuneration in 2019-20 | Remuneration in 2018-19 | Increase in remuneration |
|---|---|---|---|
| Chief Executive Officer | 1207000 | 840000 | 367000 |
| Chief Financial Officer | 543000 | 540000 | 3000 |
| Company Secretary | 491000 | 468000 | 23000 |

D. Total no. of permanent employees of the company is 54 and seasonal employees are 109 in the financial year as on 31st March, 2020.

E. The remuneration paid to all the Key Managerial Personal was in accordance with remuneration policy adopted by the company.

F. The particulars of employee who are covered by the provision contained in Rule 5(2) and 5(3) of the companies (Appointment and Remuneration of Managerial Personal) Rules, 2014 are:

i). Employed throughout the year Nil

ii). Employed for part of the year Nil

**31. Corporate Governance**

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognizes that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

Our Corporate Governance Report for the financial year 2019-20 form parts of this Annual Report.

**32. Directors' Responsibility Statement**

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

a) that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

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

d) that the annual financial statements have been prepared on a going concern basis;

e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**33. Related Party Transaction**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**34. Risk management policy**

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

**35. Acknowledgements**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

**For and on behalf of the Board of Directors**
**OSWAL OVERSEAS LIMITED**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Anoop Kumar Srivastava** | **Paramjeet Singh** |
| **Place: New Delhi** | **Director** | **(Managing Director)** |
| **Dated: 31/08/2020** | **DIN: 07052640** | **DIN: 00313352** |

**Annexure - 1**
**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,**
**Oswal Overseas Limited**
**(CIN: L74899DL1984PLC018268)**
**G.F. 72, Taimoor Nagar, New Delhi-110065**

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

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

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

**i.** The Companies Act, 2013 (the Act) and the rules made thereunder;
**ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
**iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
**iv.** Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(Not applicable as the Company does not have any Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings)
**v.** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
**b.** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
**b.** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
**c.** The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015;
**d.** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(Not applicable as the Company has not issued any securities)
**e.** The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
(Not Applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme.)
**f.** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(Not applicable as the Company has not issued any debt securities which were listed)
**g.** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.)
**h.** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
(Not applicable as the company has not opted for any Delisting) and
**i.** The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
(Not applicable as the company has not done any Buyback of securities.)
**vi.** Other laws as applicable specifically to the Company:
**a.** Levy Sugar Price Equalisation Fund Act, 1976
**b.** Sugarcane (Control) Order, 1966
**c.** Food Safety and Standards Act, 2006
**d.** Sugar Development Fund Act, 1982
**e.** Essential Commodities Act, 1955

I have also examined compliance with the applicable clauses of the following:
**(i)** Secretarial Standards issued by The Institute of Company Secretaries of India as notified by the Ministry of Corporate Affairs.
**(ii)** The Listing Agreement entered into by the Company with the BSE Limited;

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

I further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (Except in cases where the meeting is held on shorter notice), 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes.

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

**For Malik Anuj & Company**
**Company Secretaries**
**Sd/-**
**Anuj Kumar Malik**
**Prop.**
**ACS No.: A42273**
**C P No.: 16061**
**UDIN: A042273B000588203**
**Place: New Delhi**
**Date: 17th August, 2020**

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To,
The Members,
**Oswal Overseas Limited**
**(CIN: L74899DL1984PLC018268)**
G.F. 72, Taimoor Nagar, New Delhi-110065

Sir,

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Malik Anuj & Company**
**Company Secretaries**
**Sd/-**
**Anuj Kumar Malik**
**Prop.**
**ACS No.: A42273**
**C P No.: 16061**
**UDIN: A042273B000588203**
Place: New Delhi
Date: 17th August, 2020

**Annexure - 2**

**Form No. MGT-9**

**Extract of Annual Return as on the financial year ended on 31st March, 2019 of Oswal Overseas Limited [Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

| | |
|---|---|
| CIN | L74899DL1984PLC018268 |
| Registration Date | 31.05.1984 |
| Name of the Company | OSWAL OVERSEAS LIMITED |
| Category / Sub-Category of the Company | Public Company/ Limited by shares |
| Address of the Registered Office and contact details | 72, GROUND FLOOR, TAIMOOR NAGAR, DELHI – 110025 |
| Whether listed company | Yes, Listed at BSE Limited |
| Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED,<br>Beetal House, 3rd Floor,<br>99, Madangir, Behind LSC,<br>New Delhi – 110062<br>Phone No. – 011-29961281-283<br>Fax No. - 011-29961284<br>Email id - beetalrta@gmail.com |

**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:-

| S. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---|---|---|---|
| 1. | Sugar | 1072 | 100 |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

| S. No. | Name and Address of the company | CIN/GLN | Holding / Subsidiary Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | **Nil** | | | | |
| 2. | | | | | |

**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 | Demat | Physical | Total | % of Total | |
| **A. Promoters** | | | | | | | | | |
| **1) Indian** | | | | | | | | | |
| a) Individual / HUF | 4838950 | **NIL** | **4838950** | **74.89** | 4838950 | **NIL** | **4838950** | **74.89** | **-** |
| b) Central Govt. | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| c) State Govt (s) | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| d) Bodies Corp. | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| e) Banks / FI | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| f) Any Other... | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| **Sub-total (A) (1) :-** | | | | | | | | | |
| **2) Foreign** | | | | | | | | | |
| a) NRIs-Individuals | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| b) Other Individuals | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| c) Bodies Corp. | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| d) Banks / FI | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| f) Any Other... | - | **-** | **-** | **-** | - | **-** | **-** | **-** | |
| **Sub-total (A) (2) :-** | | | | | | | | | |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | 4838950 | **NIL** | **4838950** | **74.89** | 4838950 | **NIL** | **4838950** | **74.89** | - |
| **B. Public Shareholding** | | | | | | | | | |
| **1) Institutions** | | | | | | | | | |
| a) Mutual Funds | - | **-** | **-** | - | - | **-** | **-** | - | |
| b) Banks / FI | - | **-** | **-** | - | - | **-** | **-** | - | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| c) Central Govt. | - | - | - | - | - | - | - | - | |
| d) State Govt(s) | - | - | - | - | - | - | - | - | |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | |
| f) Insurance Companies | - | - | - | - | - | - | - | - | |
| g) Flls | - | - | - | - | - | - | - | - | |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | |
| i) Others (specify) | - | - | - | - | - | - | - | - | |
| **Sub-total (B)(1) :-** | - | - | - | - | - | - | - | - | |
| **2) Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individuals shareholders holding nominal share capital upto Rs. 2 lakh | 23700 | **84950** | 108650 | 1.68 | 24000 | **84650** | 108650 | 1.68 | |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh | - | **1054550** | **1054550** | 16.32 | - | **1054550** | **1054550** | 16.32 | |
| c) Others (specify) | | | | | | | | | |
| i. HUF | 8100 | **450000** | **458100** | 7.09 | 8100 | **450000** | **458100** | 7.09 | |
| ii. Body Corporate | - | **800** | **800** | 0.01 | - | **800** | **800** | 0.01 | |
| **Sub-total(B)(2) :-** | 31800 | **1590300** | **1622100** | 25.11 | 32100 | **1590000** | **1622100** | 25.11 | |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | 31800 | **1590300** | **1622100** | 25.11 | 32100 | **1590000** | **1622100** | 25.11 | |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | |
| **Grand Total (A+B+C)** | **4870750** | **1590300** | **6461050** | **100** | **4871050** | **1590000** | **6461050** | **100** | |

**(ii) Shareholding of Promoters**

| Sl No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| **1.** | **PARAMJEET SIINGH** | **1808710** | **27.994** | **-** | **1808710** | **27.994** | **-** | **-** |
| **2.** | **SURJEET SINGH HUF** | **1221650** | **18.908** | **-** | **1221650** | **18.908** | **-** | **-** |
| **3.** | **RANJEETA KAUR** | **68750** | **1.064** | | **68750** | **1.064** | **-** | **-** |
| **4.** | **SURJEET SINGH** | **1739840** | **26.928** | **-** | **1739840** | **26.928** | **-** | **-** |

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

| | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| At the beginning of the year | No changes during the year | | | |
| Data wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat / equity etc.) | No changes during the year | | | |
| At the end of the year | No changes during the year | | | |

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

| Sl. No | For Each of the Top 10 shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| **1.** | Rajinder Sharma | 64000 | 0.991 | 64000 | 0.991 |

| | | | | | |
|---|---|---|---|---|---|
| **2.** | Manuj Sharma | 64000 | 0.991 | 64000 | 0.991 |
| **3.** | Ravi Manchanda | 64000 | 0.991 | 64000 | 0.991 |
| **4.** | Veena Manchanda | 64000 | 0.991 | 64000 | 0.991 |
| **5.** | Rajkumar Bhasin | 64000 | 0.991 | 64000 | 0.991 |
| **6.** | Rajesh Bhasin | 64000 | 0.991 | 64000 | 0.991 |
| **7.** | Naresh Bhasin | 64000 | 0.991 | 64000 | 0.991 |
| **8.** | A Charu Goyal | 64000 | 0.991 | 64000 | 0.991 |
| **9.** | Poonam Agarwal | 64000 | 0.991 | 64000 | 0.991 |
| **10.** | Gurubachan Kaur Gujral | 64000 | 0.991 | 64000 | 0.991 |

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

| **For Each of the Directors and KMP** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|
| | **No of shares** | **% of total shares of the company** | **No of shares** | **% of total shares of the company** |
| **1. Mr. Paramjeet Singh (Managing Director)** At the beginning of the year | 1808710 | 27.994 | 1808710 | 27.994 |
| Increase or Decrease | - | - | - | - |
| At the end of the year | 1808710 | 27.994 | 1808710 | 27.994 |
| **2. Mr. Anoop Kumar Srivastava (Director)** At the beginning of the year | Nil | Nil | Nil | Nil |
| Increase or Decrease | - | - | - | - |
| At the end of the year | Nil | Nil | Nil | Nil |
| **3.Mr. Vijay Kumar Mishra (Chief Executive Officer)** At the beginning of the year | Nil | Nil | Nil | Nil |
| Increase or Decrease disc | - | - | - | - |
| At the end of the year | Nil | Nil | Nil | Nil |
| **4. Mr. Aijaz Ahmad (Chief Financial Officer)** At the beginning of the year | Nil | Nil | Nil | Nil |
| Increase or Decrease | - | - | - | - |
| At the end of the year | Nil | Nil | Nil | Nil |
| **5. Mr. Lalit Kumar (Company Secretary)** At the beginning of the year | Nil | Nil | Nil | Nil |
| Increase or Decrease | - | - | - | - |
| At the end of the year | Nil | Nil | Nil | Nil |

**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 financial year** | | | | |
| i) **Principal Amount** | 489257840 | 64199814 | 0 | **553457654** |
| ii) **Interest due but not paid** | 150910 | 0 | 0 | **150910** |
| iii) **Interest accrued but not due** | 9031017 | 0 | 0 | **9031017** |
| **Total (i+ii+iii)** | 498439767 | 64199814 | 0 | **562639581** |
| **Change in Indebtedness during the financial year** | | | | |
| **• Addition** | 34658208 | 47246404 | 0 | **81904612** |
| **• Reduction** | 121138099 | 43235218 | 0 | **164373317** |
| **Net Change** | -86479891 | 4011186 | 0 | **-82468705** |
| **Indebtedness at the end of the financial year** | | | | |
| iv) **Principal Amount** | 402777949 | 68211000 | 0 | **470988949** |
| v) **Interest due but not paid** | 1915145 | 0 | 0 | **1915145** |
| vi) **Interest accrued but not due** | - | 0 | 0 | **-** |
| **Total (i+ii+iii)** | 404693094 | 68211000 | 0 | **472904094** |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| Sl. No. | Particulars of remuneration | Name of MD | Total Amount |
|---|---|---|---|
| | | Mr. Paramjeet Singh | |
| 1. | Gross Salary<br>a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961<br>b) Value of perquisites u/s 17(2) Income Tax Act, 1961<br>c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | Nil | Nil |
| 2. | Stock Option | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission<br>- as % of profit<br>- Others, specify..... | Nil | Nil |
| 5. | Others, please specify | Nil | Nil |
| | Total (A) | Nil | Nil |
| | Ceiling as per the Act | | |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Mr. Rakesh Thapar | Mrs. Ruchi Dawar | Mr. Rajinder Pal Singh | Mr. Anoop Kumar Srivastava | |
| 1. | Independent Directors<br>• Fee for attending board/ committee meetings<br>• Commission<br>• Others, please specify | Nil | Nil | Nil | | Nil |
| | Total (1) | Nil | Nil | Nil | | Nil |
| 2. | Other Non-Executive Directors<br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | | | | Nil | Nil |
| | Total (2) | | | | Nil | Nil |
| | Total (B) = (1+2) | | | | Nil | Nil |
| | Total Managerial Remuneration | | | | Nil | Nil |
| | Overall Ceiling as per the Act | | | | | |

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

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | |
| 1. | Gross Salary<br>a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961 | 1207000<br>0<br>0 | 491000<br>0<br>0 | 543000<br>0<br>0 | **2241000**<br>**0**<br>**0** |
| 2. | Stock Option | **0** | **0** | **0** | **0** |
| 3. | Sweat Equity | **0** | **0** | **0** | **0** |
| 4. | Commission<br>- as % of profit<br>- Others, specify.... | <br>0<br>0 | <br>0<br>0 | <br>0<br>0 | <br>**0**<br>**0** |
| 5. | Others, please specify | **0** | **0** | **0** | **0** |
| | Total | **1207000** | **491000** | **543000** | **2241000** |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

## MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

### 1. OVER VIEW:

**India's sugar sector**

During FY 2019-20, sugar production in the country was expected to touch 27 MT, approximately 6 MT less thanFY 2018-19. The sugar production reduced in Maharashtra and Karnataka due to droughts followed by floods. Indiansugar production is expected to bounce back to 33 million tons in FY 2020-21.

Incentives provided by the government over the last 2 years helped the industry stabilize and achieve higher sugar production in the country as India is expected to export 5.5 million MT in FY 2019-20 against the target of 6 million tonnes. The Government mandated minimum selling price for domestic market, buffer stock and export subsidy improved the conditions of the mills and it helped to make timely payment of sugarcane. It is expected that the government shall continue with the policy of minimum sale prices, buffer stock and export subsidy for survival of the sugar sector.

With the new ethanol programme in place, sugar cane is being diverted towards ethanol production and about1.1 MT of sugar is being used for production of ethanol.This diversion of cane juice directly to ethanol is helping industry reduce sugar production. Production of ethanolfrom juice will not only help reduce sugar production but would also help in reducing our crude petroleum imports.

The ongoing COVID-19 pandemic is expected to putpressure on the sugar consumption patterns as thereare curbs on social gatherings and outings. The industryis also facing reduced off-take from beverage andother FMCG companies, amid the lockdown. Domesticconsumption of sugar is expected to drop by around 2.0million tonnes.

**Outlook**

India's sugar production may touch 31-33 MMT in FY2020-21. The monsoon is forecasted to be normal and the ground water table as well as reservoir levels are favouring a bumper sugar production.

The sugar sector in India is driven by 5 million farmers. While the sector suffers from the higher sugarcane prices mandated by the government, yet due to favorable policies and incentive from the government, it is expanding year on year. In the year 2020-21, sugar production is expected to be 31-33 million tonnes, against a demand of 26 million tonnes, creating surplus of another 7 million tonnes.

### 2. SWOT ANALYSIS:

**Strength**:

- ❖ It is an established player in the sugar industry with an installed capacity of 3500 TCD at its plant situated at Aurangabad, Nawabganj, Bareilly.
- ❖ OOL is planning to crush the maximum cane in shorter sugar season. The unit is strategically situated in cane rich belt of central Uttar Pradesh.
- ❖ Abundant Land at the existing plant site which may be used for the Company's future expansion and diversification programmes
- ❖ The unit is empowered with experienced, skilled and young Human Assets
- ❖ Presence of temporary labor force during peak period ensures maximum profits.

**Weaknesses:**

- ❖ Being the Seasonal Industry, OOL's growth plan & profitability depends on various cyclic constraints.
- ❖ Cane price is administered by State Government which may affect profitability and cash flow of Company.
- ❖ Quality of raw material largely depends upon natural and seasonal factors.

**Opportunities:**

- ❖ Co-Generation through Bagasse /Biomass, proposed to be used for forthcoming Co-gen Power Plant will qualify for Carbon Credits Mechanism
- ❖ OOL is planning to expand its Sugar Capacities and setting-up Co-generation plant by consuming the by-product bagasse / Biomass through external resources. This will give opportunity to make use of capital resources during the off season even when sugar production remains stopped.
- ❖ Production of value added products such as refined sugar, small packs, sugar cubes etc. that shall bring in higher contribution.
- ❖ White sugar has the maximum market share in India and OOL will produce maximum white sugar in future also.

**Threats:**

- ❖ OOL has only one manufacturing plant which increases its risk in case of a plant failure or maintenance issues.
- ❖ OOL has to face tough competition with the existing competitors.
- ❖ Sugar & Alcohol/Ethanol Industries are always poised to threat because of continuous monitoring by Government policies in the form of Regularization or De-regularization & infrastructure changes.
- ❖ Cheap sugar imports are harming the existing sugar mills in India and leading them to crisis.
- ❖ Sugar industry is very volatile as many factors including rainfall, cultivated area and transportation cost affects sugarcane prices and hence make this industry unpredictable

### 3. STRATEGY :

The demand & supply gap of the Sugar across the Country may affect the small units like OOL. Hence the Company's near term strategy is to focus on higher cane recovery by improving internal efficiencies and higher production of sugar.

### 4. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The objective of your company is to create a workplace where every person can achieve his or her full potential. The employees are encouraged to put in their best. OOL recognizes that a large part of its success is attributable to the excellent human resources base created over the years. This intellectual capital reflects in the quality of our business strategy, our customer's relationship, strong project management and commercialization skills and our development capabilities.

### 5. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

The efficiency of the internal control system has been improved with implementation of high level of system-based checks and controls through core business process in materials, operations, accounting & HR. Regular internal audits and checks are carried out to ensure that responsibilities are executed effectively and that adequate systems are in place to maintain authenticity and correctness of recorded transactions.

**6. FINANCIAL TRANSACTION** :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, and The Indian Accounting Standards (Ind AS). Our management accepts the responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgment used therein. The estimates and judgments relating to the financial statements have been made on a prudent & reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transaction and reasonably present out state of affairs and profits of the year.

**7. BUSINESS HIGHLIGHTS**

**Operational**

- In FY 2019-20, we crushed 4180422 Quintals of sugarcane, a 20.076% increase from 3481480 Quintals crushed during the previous year.
- Total recoverable sugar (yield) per Quintals of sugarcane improved from 10.42% in FY 2018-19 to 11.02% in FY 2019-20.
- The total sugar produced increased by 26.94% from 362710 Quintals in FY 2018-19 to 460430 Quintals in FY 2019-20.
- Total power generation decreased to **14463554** Kwh units in 2019-20 from **16191040** Kwh units in 2018-19.
- This year your company Supplied 41756 Kwh units Co-Gen Energy to UPPCL through T.G. set 3.

**Revenue analysis**

- Gross revenues in financial year 2019-20 has increased (115.67%) to Rs. 174,86,87,123/- from Previous Year 2018-19 Rs. 81,08,07,536/- while the net profit after tax were at Rs. 24,90,227/- (after comprehensive income) in F.Y. 2019-20 in comparison of Net Profit Rs. 86,82,121/- (after comprehensive income) in the F.Y. 2018-19.

**8. CAPITAL STRUCTURE**:

The paid-up capital of the company is Rs. 12,46,10,500/- as on 31st March, 2020 divided into equity share capital of Rs. 6,46,10,500/- and Preference share capital of Rs 6,00,00,000/-.

**9. RESERVE:**

Company's Free Reserves was Rs. -17,54,72,120/- in Financial Year 2019-20 in comparison to Financial Year 2018-19 Rs. -17,72,39,051/-.

**10. FINANCIAL OBJECTIVITY , INITIATIVE AND ACHIEVEMENTS :**

Your Company is taking proactive measures to ensure all financial costs are effectively reduced to positively impact the bottom line:

(i) **Finance Cost**: The outflow on account of Finance Cost charges increased from Rs. 2,46,85,461/- in financial year 2018-19 to Rs. 5,69,93,709/- in financial year 2019-20, representing a increase of 130.88%.

(ii) **Inventories**: In Financial Year 2018-19 the inventory value was at Rs. 1,01,56,70,610/- while in financial year 2019-20 is at Rs. 69,37,69,477/-.

(iii) **Depreciation and Amortization Exp.**: Depreciation and Amortization Exp. decreased from Rs. 2,78,01,469/- in financial year 2018-19 to Rs. 2,60,02,072/- in financial year 2019-20.

(iv) **Property Plant & Equipment:** Property Plant & Equipment in 2019-20 is of Rs. 71,09,57,780/- while in 2018-19 was Rs. 65,16,07,995/-.

(v) **Loans & Advances**: In Financial Year 2019-20, loans & advances stood at Rs. 2,28,30,908/-, compared to Rs. 2,39,44,771/- in Financial Year 2018-19.

**11. SIGNIFICANT ACCOUNTING POLICIES** : ( As mentioned in the Auditors Report)

Revenue Recognition, Inventories Valuation, Fixed Assets, Depreciation, Research & Development, Expenditure on new projects & substantial expansions, Cenvat Credit Sales Tax, Borrowing Cost, Earning Per Share, Taxes on Income, Segment Reporting Policy, Intangible Assets, Impairment of Assets, Provisions, Cash & Cash equivalent.

**12. DETAILS OF SIGNIFICANT CHANGES** (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanation therefore, including:

| Key Financial Ratios | FY 2019-20 | FY 2018-19 | Change | Change % |
|---|---|---|---|---|
| Inventory Turnover Ratio | 0.36 | 1.19 | -0.83 | -69.61 |
| Interest Coverage Ratio | 1.05 | 0.73 | 0.32 | 43.69 |
| Current Ratio | 0.82 | 1.00 | -0.18 | -17.71 |
| Debt Equity Ratio | 22.36 | 25.30 | -2.95 | -11.65 |
| Operating Profit Margin (%) | 3.42 | 2.22 | 1.20 | 53.82 |
| Net Profit Margin (%) | 0.12 | 1.09 | -0.97 | -89.31 |
| Return on Net Worth | 0.02 | 0.10 | -0.08 | -77.41 |

**13. RISK MANAGEMENT:**

As a Company poised to take on the mantle of industry mainstream, OOL is exposed to various risks. The Company is engaged in the business of manufacturing Sugar. Some of these risks are external and result from the business environment we operate in, while some are internal to the Company. We have developed a risk reporting management process to manage potential risks in an informed manner.

We have a three-pronged risk management process. Our comprehensive risk governance culture ensures that business decisions taken balance risk and reward. Consequently, our earnings-generating initiatives are consistent with our risk standards. Our risk-management revolves around corporate policies that outlined standards and provide measurement guidelines for each risk category. The Company proactively evaluates and puts in place risk-mitigation initiatives, sets prudent limits on quantum of risk undertaken and does risk evaluation of major policy decisions.

We manage the variables impacting business risk with a disciplined risk management process is keeping with established standards. The risk management strategies and processes are regularly reviewed in keeping with the changing environment.

**14. RISK ENVIRONMENT:**

A number of potential risks in the current environment might make the Sugar Industry mixed prospects over the coming years. These risks may stem from Central/ State Government Policies, Cane availability, State administered Cane Price, Customer Concentration Risk and Geographical Risks amongst others. OOL is, however, well poised to manage and mitigate these risks.

**15. STEPS TAKEN TO MITIGATE RISKS**

OOL is planning to upgrade its existing plant through expansion and diversification on the basis of latest technology and human expertise. The objectives are:

a) Ability to rapidly commercialize new expanded and diversified capabilities.
b) Access to new opportunities through long-standing strategic partnerships.

**16. OTHER RISKS AND KEY MANAGEMENT INITIATIVES :**

**a) Industry risk management:**

Indian Sugar Companies are prone to induced cyclicality, with higher cane prices in spite of the falling sugar realization which are adversely affecting the profitability. OOL operates in an industry where demand & supply is restricted due to seasonality of operations & Government Policies, Administered Cane Prices which may jeopardize future growth of the medium sized group like ours.

b) **Regulatory Risk**:

The policies of the Government may not be conducive to the growth and development of the Indian Sugar Industry, particularly for a short span of time.

There are various favourable policies expected from the Government in the near future.

**c) Working Capital Risk:**

The sugar sector is working-capital intensive. The continued slump in the Industry may affect the Company's profitability to manage its working capital requirements.

The Company will manage the enhanced requirement of working capital by means of working capital limits by the banks, short-term loan or unsecured loan from the promoters and issue of share capital to the promoters & others.

d) **Business Model Risk:**

The Company's business model may not be effective in a year of sugar down turn.

To mitigate the risk our Company has adopted a diversified model comprising Sugar and furnace to minimize the inherent risk of cyclicality of the sugar business. OOL is exploring the business opportunities through expansions of existing infrastructure and diversification into Co-Gen.

e) **People risk management:**

High quality human resources are vital to the success of our business.

In order to retain talent, the Company promotes a sense of ownership and pride in association with strong HR initiatives, which have helped us keep attrition rates well in control.

f) **Cash flow risk:**

The Company operates in a cyclic growth oriented industry, especially on account of changing Government Policies of administered prices, control/decontrol and cane availability. Hence, it is imperative to efficiently estimate and manage cash flows in this volatile environment. The Company's working capital arrangement is comparatively low against any uneven or seasonal factors. Hence the Company is trying to tie-up additional alternative financing or cost optimization/ funding the operations. Besides the Company monitors liquidity on a regular basis.

**g) Security risk management:**

Operations could be disrupted due to natural, political and economic disturbances.

As a part of its 'Disaster Recovery' plan, all related risks have been mapped by the Company and are monitored regularly.

**17. DISCLOSURE:**

During the year under review, the Company has not entered into any transaction of the material nature with its Promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large.

**18. MANAGEMENT'S RESPONSIBILITY STATEMENT:**

The management is responsible for preparing the Company's financial statements and related information that appears in this annual report. The management believes that these financial statements fairly reflect the form and substance of transactions and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

**19. CAUTIONARY STATEMENT:**

Some of the statements in this report that are not historical facts are forward-looking statements. The forward-looking statements include our financial growth projections as well as statements concerning our plans strategies, intentions and

beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. These risks include uncertainties that could cause actual events to differ materially from these forward-looking statements. These risk include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world and other risks not specifically mentioned.

**For and on behalf of the Board of Directors**
**OSWAL OVERSEAS LIMITED**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Anoop Kumar Srivastava** | **Paramjeet Singh** |
| **Place: New Delhi** | **Director** | **(Managing Director)** |
| **Dated: 31.08.2020** | **DIN: 07052640** | **DIN: 00313352** |

**ANNEXURE – 3**

**INFORMATION AS PER SECTION 134 (3) (m) READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020**

**A. CONSERVATION OF ENERGY:**

The Company has already installed most modern equipment to save and minimize energy consumption. The Company is having three turbo alternative sets of 3 MW each. The Company has also made standby arrangement of two Diesel Generating Sets.This year company has set up a co-Generation plant having capacity of 3 MW.

To achieve maximum conservation of energy, the Company has put up Variable frequency drives, LED Lights, high pressure boilers and matching turbo alternators and prime movers. The Company is also having electrical motors of appropriate size, continuous centrifugal M/c and batch type centrifugal M/c.

| **I. ELECTRICITY** | **Current year 2019-20** | **Previous Year 2018-19** |
|---|---|---|
| **a) Units Purchased** | **251528** | **210256** |
| Total Amount (Rs.) | **3392312** | **2223080** |
| Rate per Unit (Rs.) | **13.48** | **10.57** |
| **b) Own Generation** | | |
| i) Trough Diesel Generator Units | **67117** | **81331** |
| Units Per Litre of diesel oil (Rs.) | **2.13** | **2.20** |
| Cost per Unit (Rs.) | **30.46** | **29.28** |
| **ii)** Through Turbine (Units) | **14463554** | **16191040** |
| **iii)** Co- Gen Energy Supplied to UPPCL Through T.G set 3 | **41756** | **-** |
| **II. CONSUMPTION PER UNIT OF PRODUCT** | | |
| **i)** Electricity (KW / MT) | **318.33** | **446.53** |
| **ii)** Bagasse (MT / MT) | Own bagasse used and cost no ascertained | Own bagasse used and cost not ascertained |

**B. TECHNOLOGY ABSORPTION:**

| | |
|---|---|
| **a) Research & Development** | |
| i) In house research & development has been carried out further for improvement in quality of sugar cane and to increase the area under the sugarcane crop of better quality which will ensure its greater availability resulting into more production and better recovery and higher yield thereby directly reducing the cost of production. | |
| ii) In house research & development has been carried out further for improvement in quality of sugar cane and to increase the area under the sugarcane crop of better quality which will ensure its greater availability resulting into more production and better recovery and higher yield thereby directly reducing the cost of production. | |
| iii) The Company is further planning to improve quality of cane & ensure development of cane by providing better cane seed and other various facilities to cane Growers. | NIL |
| iv) Amount incurred on Research & Development | |
| **b) Technology absorption, adoption and Innovation:** | |
| i) Latest technology has been adopted in the plant to maximize consumption of energy. | NIL |
| ii) Technology Imported | NIL |

**C. FOREIGN EXCHANGE EARNING & OUTGO:**

| | | |
|---|---|---|
| i) | Foreign Exchange Earnings (Rs. In Lakh) | NIL |
| ii) | Foreign Exchange Outgo (Rs. In Lakh) | NIL |

**For and on behalf of the Board of Directors**
**OSWAL OVERSEAS LIMITED**

**Sd/-**
**Anoop Kumar Srivastava**
**Director**
**DIN: 07052640**

**Sd/-**
**Paramjeet Singh**
**(Managing Director)**
**DIN: 00313352**

**Place: New Delhi**
**Dated: 31/08/2020**

**ANNEXURE – 4**

**Certificate on Corporate Governance**

**To,**
**The Members of Oswal Overseas Limited**

We have examined the Compliance conditions of Corporate Governance of Oswal Overseas Limited for the year ended on 31st March, 2020, as per Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

**For Malik Anuj & Company**
**Company Secretaries**
**Sd/-**
**Anuj Kumar Malik**
**Prop.**
**ACS No.: A42273**
**C P No.: 16061**

**Place: New Delhi**
**Date: 24.08.2020**
**UDIN: A042273B000608553**

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices and systems that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Corporate governance requires everyone to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources optimally with the sound & prudent ethical standard. The Company recognizes that good corporate governance is a continuous exercise.

Adherence to transparency, accountability, fairness and ethical standard are integral part of the company's function. Your Company's structure, business dealings, administration and disclosure practices have aligned to good corporate governance philosophy. Your Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company aims to increase and sustain its corporate value through growth and innovation.

The Company believes that transparency, empowerment, accountability and integrity are the fundamental principles of sound Corporate Governance. The cardinal principles such as accountability, independence, trust, responsibility, transparency and timely disclosures etc. serve as a means of implementing, the philosophy of Corporate Governance.

**Implementation Modules**:

(i) The accountability of the Board of Directors to the Company and its stakeholders.
(ii) Strategic guidance and effective monitoring by the Board of Directors.
(iii) Timely and accurate Disclosures of relevant information.
(iv) Compliance of the conditions of Corporate Governance & its full disclosures.

### 2. BOARD OF DIRECTORS OF THE COMPANY:

#### SIZE AND COMPOSITION OF THE BOARD

The Company's policy is to maintain optimum combination of Independent, executive and non-executive Directors to maintains its independence and separates its function of governance and management. Listing Regulation mandate that for a company with a executive chairman at least half of the Board should be Independent Directors. On March 31, 2020 our Board consists of 5 (five) members, one of whom is executive, one is non-executive, while the remaining three are independent directors, consisting 60% of the Board Strength – as per the requirement of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. One out of five Board members or 20% of the Board is woman. All Board members (100%) are Indians.

#### CHAIRMAN OF THE BOARD

Mr. Paramjeet Singh was re-appointed as Managing Director as well as the chairman of the Board of the company w.e.f. 31.03.2020 for a period of 5 years till 30.03.2025. During this tenure Mr. Paramjeet Singh will attain the age of 70 years and as per the policy and requirement of the Companies Act, 2013 the term has been extended beyond the age of 70 years with shareholders' approval by passing a special resolution based on the explanatory statement through postal ballot on 20.12.2019.

#### ROLE OF BOARD OF DIRECTOR

The primary role of the board is that trusteeship to protect and enhance share value through strategic direction to the company. As Trustee, the board has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skills and diligence and exercise independent judgment.

#### INDEPENDENT DIRECTOR

The Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 defines an "independent director" as a person who is not a promoter or employee or one of the key managerial personal of the company or its subsidiaries. The Laws also state the person should not have a material pecuniary relationship or transaction with the company or its subsidiaries apart from receiving remuneration as an independent director. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

#### SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on February 28, 2020, inter alia to discuss:

i. review the performance of non-independent directors and the Board as a whole;
ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
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.

#### BOARD MEMBERSHIP CRITERIA

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 qualification, integrity, expertise and experience for the position.

The age limit for a Managing Director, executive Director and Independent Director is 70 years. A Director's term may be extended beyond the age of 70 years with shareholders' approval by passing a special resolution based on the explanatory statement annexed to the Notice for such motion indicating the justification for extension of appointment beyond 70 years.

**SELECTION OF NEW DIRECTOR**

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process to the Nomination and Remuneration Committee. The Nomination and Remuneration committee makes recommendations to the Board on the induction of new Directors.

**MEMBERSHIP TERM**

The Companies Act, 2013 mandates the retirement of two-third of the non-independent directors (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment upon completion of their term. An independent director shall hold office for a term of up to 5 consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**REMUNERATION PAID TO DIRECTORS**

No remuneration was paid to Executive & Non- Executive Directors for the year ended 31st March 2020.

**MATRIX SETTING OUT SKILLS/COMPETENCE/EXPERTISE**

The Board of Directors has identified the following skills/ expertise/competencies that are required for effective and efficient functioning of the Board in context with the Company's business and sector:

| Sr. No. | Areas of Core Skills/Expertise/Competence |
|---|---|
| 1 | Financial competency |
| 2 | Diversity |
| 3 | Accountancy & Audit |
| 4 | Analytical Abilities |
| 5 | Understanding of Company's Business |
| 6 | Decision making Ability |
| 7 | Independence& Objectivity |
| 8 | Integrity |
| 9 | Strategic Thinking |
| 10 | Legal Knowledge |
| 11 | Leadership |
| 12 | Statutory Compliance Knowledge |
| 13 | Administrative |

**3. BOARD MEETING**

**SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETING**

The Company Secretary drafts the agenda for each meeting, along with notes on agenda, in consultation with Managing Director of the Company, and distributes in advance to the directors.

Every Board member can suggest the inclusion of the additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on agenda and also on the occasion of the AGM. Additional meetings are held when necessary. During the financial year 2019-20, 10 (Ten) meetings of the Board of Directors were held on the following dates –

| | | | | | |
|---|---|---|---|---|---|
| 1. 30.05.2019 | 2. 12.07.2019 | 3. 09.08.2019 | 4. 26.08.2019 | 5. 09.11.2019 | 6. 11.11.2019 |
| 7. 22.11.2019 | 8. 10.01.2020 | 9. 12.02.2020 | 10. 28.02.2020 | | |

Details of attendance of Directors at Board Meetings and at the last Annual General Meeting, Directorship in other Companies, Committee position held by them and their categories are given below:

| Name & Designation of the Directors | Category | Attendance at last Annual General Meeting held on 27.09.2019 and Board Meeting held during the year | % of attendance in Board Meeting | No. of Directorships in other companies (excluding foreign Companies & Pvt. Ltd. Companies) | Committee (including Oswal Overseas Ltd.) Positions held | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| Mr. Paramjeet Singh (Managing Director) | Executive/ Non-Independent | Yes/10 | 100 | 2 | 0 | 0 |
| Mr. Rajinder Pal Singh (Independent Director) | Non-Executive/ Independent | Yes/10 | 100 | NIL | 3 | 0 |
| Mr. Anoop Kumar Srivastava (Director) | Non-Executive/ Non-Independent | Yes/10 | 100 | NIL | 0 | 3 |
| Mrs. Ruchi Dawar* (Independent Director) | Woman Non-Executive/ Independent | No/7 | 100 | NIL | 0 | 3 |
| Mr. Rakesh Thapar** (Independent Director) | Non-Executive/ Independent | NR/5 | 100 | NIL | 0 | 3 |
| | | | | | | |

*Mrs. Ruchi Dawar was appointed as a Woman Independent Director of the Company w.e.f. 02.11.2018 for a term of 1 year and completed the term on 01.11.2019. The company re-appointed Mrs. Ruchi Dawar as Independent Director by passing a Special Resolution through postal ballot on 20.12.2019 for the next term of 2 Years.
**Mr. Rakesh Thapar was appointed as an Independent Director of the company w.e.f. 09.11.2019 for a term of 2 years.
Notes:

1. Committee positions of only 3 committees namely Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee have been considered.
2. Number of Shares held by non- executive Directors is tabulated below:

| Sr. No. | Name of Non- Executive Directors | No. of Shares held |
|---|---|---|
| 1. | Mr. Rakesh Thapar** | NIL |
| 2. | Mrs. RuchiDawar* | NIL |
| 3. | Mr. Anoop Kumar Srivastava | NIL |
| 4. | Mr. Rajinder Pal Singh | NIL |

**3. BOARD COMMITTEES**

Currently the Board has three committee viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference/role of the Committees are taken by the Board of Directors. The chairman of the Board, in consultation with the Company Secretary and the committee chairperson, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the entire Board for approval. The quorum for the meetings is either two members or one-third of the total number of members of the committee, whichever is higher.

**(i) AUDIT COMMITTEE:**

The audit committee was constituted in accordance with the provisions of Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II part C of the Listing Regulations and Section 177 of Companies Act, 2013.

**Statutory audit, internal audit, reporting and other aspects**

i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.
ii. 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 and ensuring timely submission to statutory authorities.
iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
v. Review the adequacy and effectiveness of the company's system and internal control.
vi. Evaluation of internal financial controls and risk management systems.
vii. To review the functioning of the Whistle Blower mechanism.

**Audit & other duties**

i. 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.
ii. Discussion with internal auditors of any significant findings and follow up there on.
iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
v. To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Four Audit Committee meetings were held during the year and the gap between two meetings never exceeded one hundred and twenty days. The dates on which such meetings were held are as follows:

1. 30.05.2019 2. 09.08.2019 3. 11.11.2019 4. 12.02.2020

As on 31.03.2020 the Composition of Audit Committee and attendance of each director during the meetings held in financial year 2019-20 are given below:

| Name of the Members | Status | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Rajinder Pal Singh | Chairman | Non-Executive & Independent Director | 4 |
| Mrs. RuchiDawar* | Member Upto 01.11.2019 | Woman Non-Executive & Independent Director | 2 |
| Mr. Anoop Kumar Srivastva | Member | Non-Executive & Non-Independent Director | 4 |
| Mr. Rakesh Thapar** | Member w.e.f. 09.11.2019 | Non-Executive & Independent Director | 2 |

*Mrs. Ruchi Dawar was appointed as a Woman Independent Director of the Company w.e.f. 02.11.2018 for a term of 1 year and completed the term on 01.11.2019. The company re-appointed Mrs. Ruchi Dawar as Independent Director by passing a Special Resolution through postal ballot on 20.12.2019 for the next term of 2 Years.
**Mr. Rakesh Thapar was appointed as an Independent Director of the company w.e.f. 09.11.2019 for a term of 2 years.

**(ii) Nomination and Remuneration Committee:**

The remuneration committee was constituted in accordance with the provisions of Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The terms of reference of the committee are as follows:

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

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

Although no remuneration is paid to any director at present the company retains the option to do so in future. As and when it is done it shall be revealed in the report.

Nomination and Remuneration Committee meetings were held during the year on 12.07.2019, 09.11.2019, 11.11.2019 and 22.11.2019.

As on 31.03.2020 the Composition of Nomination and Remuneration Committee and attendance of each director during the meetings held in financial year 2019-20 are given below:

| Name of the Members | Status | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Rajinder Pal Singh | Chairman | Non-Executive & Independent Director | 4 |
| Mrs. Ruchi Dawar* | Member Upto 01.11.2019 | Woman Non-Executive & Independent Director | 1 |
| Mr. Anoop Kumar Srivastva | Member | Non-Executive & Non-Independent Director | 4 |
| Mr. Rakesh Thapar** | Member w.e.f. 09.11.2019 | Non-Executive & Independent Director | 2 |

*Mrs. Ruchi Dawar was appointed as a Woman Independent Director of the Company w.e.f. 02.11.2018 for a term of 1 year and completed the term on 01.11.2019. The company re-appointed Mrs. Ruchi Dawar as Independent Director by passing a Special Resolution through postal ballot on 20.12.2019 for the next term of 2 Years.
**Mr. Rakesh Thapar was appointed as an Independent Director of the company w.e.f. 09.11.2019 for a term of 2 years.

**(iii) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was constituted in accordance with the provisions of Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

The Committee performs following functions:

- Resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of Annual Report and non- receipt of declared dividend.
- Transfer/Transmission of shares.
- Issue of Duplicate Share Certificates.
- Review of Share dematerialization and rematerialization.
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.

During, the financial year 2019-20, one meeting of the Stakeholders Relationship Committee was held on 28.02.2020.

As on 31.03.2020 the Composition of Stakeholders Relationship Committee and attendance of each director during the meetings held in financial year 2019-20 are given below:

| Name of the Members | Status | Category | No. of Meetings Attended during the year 2019-20 |
|---|---|---|---|
| Mr. Rajinder Pal Singh | Chairman | Non-Executive & Independent Director | 1 |
| Mr. Anoop Kumar Srivastva | Member | Non-Executive & Non-Independent Director | 1 |
| Mr. Rakesh Thapar** | Member w.e.f. 09.11.2019 | Non-Executive & Independent Director | 1 |

**Mr. Rakesh Thapar was appointed as an Independent Director of the company w.e.f. 09.11.2019 for a term of 2 years.

No compliant was received by any member during the financial year.
The Company Secretary of the Company had been designated as the Compliance Officer pursuant to the provisions of Regulation 6 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

**4. FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection of appointment of directors and their remuneration. The highlights of this policy are as follows:

**Criteria of selection of Non-Executive Directors**

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
   - ✓ Qualification, expertise and experience of the Directors in their respective fields;
   - ✓ Personal, Professional or business standing;
   - ✓ Diversity of the Board.
e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**5. MANAGING DIRECTOR & WHOLE TIME DIRECTOR - CRITERIA FOR SELECTION / APPOINTMENT**

For the purpose of selection of the Managing Director or Whole Time Director the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.
The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**6. DISCLOSURES:**

1. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have the potential conflict with the interest of the Company at large:-

   **NIL**

   The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. www.oswaloverseasltd.com.
2. Details of non-compliance by the Company, penalties, structure imposed by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years:-

   **No**
3. Your company has adopted whistle blower policy approved by the Board of Directors,which has been uploaded on the Company's website i.e. www.oswaloverseasltd.com. It has affirmed by the company that no personal has been denied access to the audit committee.
4. The Company has made all the mandatory compliance in accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**7. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

Your company has complied with all mandatory requirements of the Listing Regulations andthe status of compliance with non-mandatory requirements of SEBI Listing Regulations areas detailed hereunder:

i. Separate posts of chairperson and Chief Executive Officer.
ii. The internal auditor report directly to the Audit Committee.

**8. MEANS OF COMMUNICATION:**

The Company has promptly reported all material information including declaration of quarterly financial results to Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website www.oswalovereasltd.com. The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. '**Business Standard**' and in a vernacular language newspaper viz. '**Business Standard** (Hindi)' as per requirements of the Listing Regulations. The financial and other information are filed by the Company on electronic platforms of BSE.

**9. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online Redressal of all the shareholders complaints. The company is in compliance with the SCORES.

**10. GENERAL BODY MEETINGS**

Location and time for last three Annual General Meetings are as follows**:**

| Year | Venue | Date | Time |
|---|---|---|---|
| **2017** | 72, Ground Floor, Taimoor Nagar, Opp. New Friends Colony, New Delhi-110025 | 25th September, 2017 | 12.30 p.m. |
| **2018** | D-849, New Friends Colony, New Delhi – 110025 | 24th September, 2018 | 10.30 a.m. |
| **2019** | D-849, New Friends Colony, New Delhi – 110025 | 27th September, 2019 | 12.00 p.m. |

**Details of Special Resolution(s) passed in previous three Annual General Meetings**:

| Sr. No. | Year | Section of Companies Act, 2013 | Purpose |
|---|---|---|---|
| **1.** | **2017** | NA | NA |
| **2.** | **2018** | NA | NA |
| **3.** | **2019** | NA | NA |

**Details of Postal Ballot: -**

During the financial year ended 31st March 2020, one postal ballot was conducted by the company for passing the following special resolution through postal ballot / e-voting process on 20th December, 2019–

1. To re-appoint Mr. Paramjeet Singh as Managing Director of the company for a period of five years w.e.f. 31.03.2020
2. To re-appoint Mrs. Ruchi Dawar as woman independent director of the company for a period of two years w.e.f. 20.12.2019.
3. To appoint Mr. Rakesh Thapar as independent director of the company for a period of two years w.e.f. 09.11.2019

**11. GENERAL SHAREHOLDERS INFORMATION:**

**A.** **36th Annual General Meeting**: 30th September, 2020 at 01:00 P.M.

**B.** **Financial Year:** 1st April, 2019 to 31st March, 2020

**C.** **Book Closure:** 24thSeptember, 2020 to 30th September, 2020

**D.** **Dividend Payment Date:** As no dividend for the year 2019-20 was recommended by the Board of Directors, hence no disclosures for the same is required.

**E.** **Listing on Stock Exchange and Stock Codes**

The Company's equity shares are listed with Bombay Stock Exchange Ltd. (Code 531065), The Company has paid annual listing fee due to the Bombay Stock Exchanges for the Financial Year 2020-21.

**F.** **Market Price Data and Performance in Comparison to Index:**

The high & low of the share price of the Company during each month in the last financial year at Bombay Stock Exchange Ltd., is not available as the shares are not being actively traded (pertains to "XT" segment) on those Stock Exchanges. As per Circular dated June 17, 2011 (CIR/ISD/3/2011) the Company has already achieved 100% of Promoter's and Promoter group's shareholding in dematerialized form.

**G.** **Code of Conduct:**

The Company had adopted a Code of Conduct for its Board of Directors & Senior Management Personnel and the same has been posted on the Company's Website.

**H.** **Registrar and Transfer Agent:**

BEETAL Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre
Near Dada Harsukh Das Mandir,
New Delhi-110062
Tel. 011-29961281, Fax. 011-29961284
Website: www.Beetalfinancial.com

**I.** **Investor correspondence may also be addressed to:**

**Mr. Lalit Kumar**
Company Secretary & Compliance Officer
Oswal Overseas Limited

72, Ground Floor, Taimoor Nagar,
Opposite New Friends Colony,
New Delhi – 110065
Phone no. 011-41064256,
E-mail id – cs@oswaloverseasltd.com

**J. Share Transfer System:**

Presently the share transfers which are received in physical form, if not disputed and accompanied with complete documents, are normally effected within a maximum period of 30 days from the date of receipt and demat requests are confirmed within a maximum period of 15 days. The company provides investor or depository services through its Registrar & Transfer Agent (RTA).

**K. Distribution of Shareholding:**

The Distribution of Shareholding as on March 31, 2020 was as follows:

| **No.of Shares held** | **Shareholders** | | **Shares** | |
|---|---|---|---|---|
| | Number | % of Total | Number | % of Total |
| Upto 5000 | 267 | 79.88 | 48200 | 0.75 |
| 5001-10000 | 22 | 6.61 | 20450 | 0.32 |
| 10001-20000 | 5 | 1.50 | 6050 | 0.09 |
| 20001-30000 | 2 | 0.60 | 5500 | 0.08 |
| 30001-40000 | 6 | 1.80 | 23750 | 0.37 |
| 40001-50000 | 0 | 0 | 0 | 0 |
| 50001-100000 | 3 | 0.90 | 23600 | 0.37 |
| 100001 and above | 29 | 8.70 | 6333500 | 98.02 |
| Total | **334** | **100** | **6461050** | **100** |
| **Held by** | **No.of Shares** | | **% holding** | |
| **Promoters** | | | | |
| -Individual& HUF | 4838950 | | 74.89 | |
| -Private Corporate Bodies | 0 | | 0 | |
| **Indian Public** | | | | |
| -Individual& HUF | 1621300 | | 25.10 | |
| -Private Corporate Bodies | 800 | | 0.01 | |
| **Total** | **6461050** | | **100.00** | |

**L. Dematerialization of Shares and Liquidity**

The shares of the Company are available for trading in depository systems of both NSDL & CDSL with ISIN INE906K01019 (New ISIN INE906K01027 activated on 11th August, 2020 due to sub-division of equity shares). As on March 31, 2020, 75.39% (48,71,050 equity shares) of the share capital of the Company had been dematerialized and 24.61% (15,90,000 equity shares) of the share capital of the Company had been digitalized.

**M. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:**

The company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments, which has any likely impact on equity during the year.

**N. Unclaimed Dividends:**

Since the Company had not declared dividend in the preceding years due to accumulated losses & its adjustment in the current year, no unclaimed dividend was required to be transferred to Investors Grievance Fund under the Companies Act, 1956/ the Companies Act, 2013.

**O. Plant Location:**

The Company is engaged in the manufacturing of Sugar and having one sugar factory. The business of the Company is being operated from the following sites:

Village - Aurangabad
Tehsil - NawabGanj,
District – Bareilly (U.P) – 262407
Phone no. 05825-226551, Fax no. 05825-226753
E-mail id:info@oswaloverseasltd.com

**P. Registered Office & Address for Correspondence:**

72, Ground Floor,
Taimoor Nagar,
New Delhi-110025
Phone no. 011-41064256,Fax no. 011-26322664

Email-id: cs@oswaloverseasltd.com

**12. RISK MANAGEMENT**

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

**13. RECONCILIATION OF SHARE CAPITAL AUDIT:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

**14. CORPORATE IDENTITY NUMBER (CIN):**

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L74899DL1984PLC018268**.**

**15. CEO / CFO CERTIFICATION:**

As required by the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance Certificate from Chief Executive Officer and Chief Financial Officer is provided in the Annual Report.

**16. DECLARATION BY THE MANAGING DIRECTORON THE CODE OF CONDUCT:**

Pursuant to the Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I Paramjeet Singh, Managing Director of the Company, declares hereby that all the Board Members & Senior Management of the Company, have affirmed their compliance with the Code of Conduct during the year ended 31st March 2019.

**For and on behalf of the Board of Directors**
**OSWAL OVERSEAS LIMITED**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| | **Anoop Kumar Srivastava** | **Paramjeet Singh** |
| **Place: New Delhi** | **Director** | **(Managing Director)** |
| **Dated: 31/08/2020** | **DIN: 07052640** | **DIN: 00313352** |

## CERTIFICATE OF CHIEF FINANCIAL OFFICER

**To,**
**The Board of Directors,**
**Oswal Overseas Limited,**

I, Aijaz Ahmad, Chief Financial Officer of Oswal Overseas Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March 2020 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2020 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.

4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors' and the Audit Committee those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.

5. I have indicated to the Auditors and the Audit Committee:
    a) There have been no significant changes in the internal control over financial reporting during this year.
    b) There have been no significant changes in the accounting policies during the year.
    c) To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-
**Place: New Delhi** **Aijaz Ahmad**
**Dated: 30.07.2020** **Chief Financial Officer**

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## CERTIFICATE OF CHIEF EXECUTIVE OFFICER

**To,**
**The Board of Directors,**
**Oswal Overseas Limited,**

I, Ashok Kumar, Chief Executive Officer of Oswal Overseas Limited, on the basis of the review of the financial statements and cash flow statement for the year ended 31st March 2020 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omits any material fact or contain statements that might be misleading.

2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2020 which, are fraudulent, illegal or in violation of the Company's Code of Conduct.

4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors' and the Audit Committee those deficiencies in the design or operations of such internal controls of which, I am aware and the steps taken and/ or proposed to be taken to rectify these deficiencies.

5. I have indicated to the Auditors and the Audit Committee:
    a) There have been no significant changes in the internal control over financial reporting during this year.
    b) There have been no significant changes in the accounting policies during the year.
    c) To the best of our knowledge and belief, there is no instance of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-
**Place: New Delhi** **Vijay Kumar Mishra**
**Dated: 30.07.2020** **Chief Executive Officer**

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Oswal Overseas Limited**

**Report on the Standalone Financial Statements**
**Opinion**

We have audited the accompanying standalone financial statements of **Oswal Overseas Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date, read with **Annexure "A" and "B"** of our report.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

**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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 responsible for overseeing the Company's financial reporting process

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
   - **a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - **b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - **c)** The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
   - **d)** In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

**f)** With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

**g)** 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 to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

**i.** The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

**ii.** The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

**iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

**For Kansal Jain & Associates**
**(Formerly N J &Associates)**
**CHARTERED ACCOUNTANTS**

**Sd/-**
**(CA Shri Krishan Kansal)**
**Partner**
**Membership No. 080632**
**FRN 023083N**

**Place: Chandigarh**
**Date: 30.07.2020**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Oswal Overseas Limited of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Oswal Overseas Limited**("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

*Due to covid-19 restrictions we conducted our audit on the basis of the data produced and observations settled online and we relied on the management for the physical verification of fixed assets and stock & stores as given and certified by the management.*

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Limitations of Internal Financial Controls over Financial Reporting**

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

**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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kansal Jain & Associates**
**(Formerly N J &Associates)**
**CHARTERED ACCOUNTANTS**

**Sd/-**
**(CA Shri Krishan Kansal)**
**Partner**
**Membership No. 080632**
**FRN 023083N**

**Place: Chandigarh**
**Date: 30.07.2020**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Oswal Overseas Limitedof even date)**

i. In respect of the Company's fixed assets:

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

(b) The Company has a program of verification to cover all the items of fixed assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

**ii.** *Due to the restrictions imposed by the government of India amid the covid-19 pandemic, physical verification of inventory was not possible in the later intervals of the year. Hence the inventory has been valued as certified by the management.*

**iii.** In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

**iv.** In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable

**v.** The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

**vi.** The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

**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, with certain delays, the dues including, Income Tax, Sales Tax, Goods and Service Tax, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities.

(b) Further, as at 31st March 2020, there are no such dues outstanding for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

| Name of the Statute | Nature of Dues | Total demand (Rs. in lacs) | Paid under protest (Rs. in lacs) | Balance amount (Rs. in lacs) | Financial year to which relates | Forum where dispute is pending |
|---|---|---|---|---|---|---|
| U.P. sales tax | Entry tax | 10.00 | 0.41 | 9.59 | 2000-01 | Hon'ble Supreme court |
| U.P. sales tax | Entry Tax | 60.04 | 0.00 | 59.63 | 2000-01 | Hon'ble Supreme court |
| U.P. sales tax | Entry Tax | 35.05 | 17.53 | 17.52 | 2002-03 | Hon'ble Supreme Court |
| U.P. sales tax | Entry Tax | 40.80 | 2.09 | 38.71 | 2007-08 | Hon'ble Commissioner |
| U.P. sales tax | Entry Tax | 25.59 | 7.47 | 18.12 | 2008-09 | Tribunal |
| U.P. sales tax | Entry Tax | 9.34 | 1.91 | 7.43 | 2009-10 | Tribunal |
| | **Entry Tax (Total)** | **170.82** | **29.40** | **141.42** | | |
| GST | GST | 1.12 | 1.12 | - | 2018-2019 | GST Authority |

**viii.** The Company has not defaulted in repayment of loans taken from banks. Hence we have got nothing to report under clause 3(viii) of the order.

**ix.** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

**x.** To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

**xi.** In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

**xii.** The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

**xiii.** In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

**xiv.** During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

**xv.** In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 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 Kansal Jain & Associates**
**(Formerly N J &Associates)**
**CHARTERED ACCOUNTANTS**

**Sd/-**
**(CA Shri Krishan Kansal)**
**Partner**
**Membership No. 080632**
**FRN 023083N**

**Place: Chandigarh**
**Date: 30.07.2020**

**OSWAL OVERSEAS LIMITED**
**Balance sheet as at March 31, 2020**
**All Amounts in Rupees, unless otherwise stated**

| Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **(A) NON CURRENT ASSETS** | | | |
| i Property, Plantand Equipment | 3 | 710,957,780 | 651,607,994.83 |
| ii Capital Work-in-Progress | 3 | 2,902,429 | 2,870,859 |
| iii Financial Assets | | | |
| Security Deposits | 4 | 657,372 | 657,372 |
| iv Prepayments | 5 | - | 21,031 |
| **(B) CURRENT ASSETS** | | | |
| i Inventories | 6 | 693,769,477 | 1,015,670,610 |
| ii Financial Assets | | | |
| (a) Trade Receivables | 7 | 11,836,742 | 11,088,076 |
| (b) Cash & Cash Equivalents | 8 | 22,790,363 | 7,559,639 |
| (c) Bank Balance other than (b) above | 8 | 9,439,074 | 1,887,611 |
| (d) Loans & Advances | 4 | 22,830,908 | 23,944,711 |
| (e) Others | 9 | 55,291,729 | 4,904,898 |
| iii Prepayments | 5 | 1,705,286 | 698,045 |
| Assets held-for-sale/ Assets included in disposal group(s) held-for-sale | | | |
| **Total Assets** | | **1,532,181,161** | **1,720,910,846** |
| **Equity AND Liabilities** | | | |
| **(C) Equity** | | | |
| i Equity Share capital | 10 | 64,610,500 | 64,610,500 |
| ii **Other Equity** | | | |
| (a) Equity Component of Compound Financial Instrument | 10 | 39,643,374 | 39,643,374 |
| (b) Reserve & Surplus | 11 | (175,472,120) | (177,239,051) |
| (c) Other Reserves | 11 | 159,010,800 | 159,010,800 |
| **(D) Liabilities** | | | |
| **Non Current Liabilities** | | | |
| i Financial Liabilities | | | |
| Borrowings | 12 | 365,620,129 | 463,285,393 |
| ii Provisions | 13 | 2,833,865 | 2,108,003 |
| iii Deferred Income | | - | - |
| iv Deferred Tax Liabilities (Net) | 14 | 42,024,193 | 42,318,781 |
| v Other Non-Current Liabilities | 15 | 40,884,940 | 62,089,784 |
| **Current Liabilities** | | | |
| i Financial Liabilities | | | |
| (a) Borrowings | 12 | 32,473,830 | 49,928,174 |
| (b) Trade payables | 16 | 799,625,390 | 858,469,409 |
| (c) Other Financial Liabilities | 12 | 112,398,024 | 103,730,790 |
| ii Provisions | 13 | 377,180 | 441,167 |
| iii Other Current Liabilities | 15 | 48,151,056 | 52,513,722 |
| iv Deferred Income | | - | - |
| **Total Equity & Liabilities** | | **1,532,181,161** | **1,720,910,846** |

The accompanying notes are an integral part of these Financial statements

**For and on Behalf of Board of Directors of Oswal Overseas Limited**

| sd/- | sd/- | sd/- | sd/- |
|---|---|---|---|
| (AIJAZ AHMAD) | (LALIT KUMAR) | (ANOOP KUMAR SHRIVASTAV) | (PARAMJEET SINGH) |
| CFO | COMPANY SECRETARY | DIRECTOR | MANAGING DIRECTOR |

As per our report of even date attached.
**FOR KANSAL JAIN & ASSOCIATES**
**(Formerly known as N J & ASSOCIATES)**
**CHARTERED ACCOUNTANTS**
sd/-
**(CA. SHRI KRISHAN KANSAL)**
Partner
Membership No. : 080632
FRN 023083N

Place : Chandigarh
Dated : 30.07.2020

**OSWAL OVERSEAS LIMITED**
**STATEMENT OF Profit AND LOSS FOR THE YEAR ENDED 31st March, 2020**
**All Amounts in Rupees, unless otherwise stated**

| Sr. No | Particulars | Note No. | March 31, 2020 | March 31, 2019 |
|---|---|---|---|---|
| | | | INR | INR |
| | **Continuing Operations** | | | |
| | Revenue from Operations | 17 | 1,717,309,716 | 790,934,604 |
| | Other Income | 18 | 31,377,407 | 19,872,932 |
| | **Total Income** | | **1,748,687,123** | **810,807,536** |
| | **Expenses** | | | |
| | Cost of Raw Material and Components Consumed | 19 | 1,242,692,094 | 1,199,145,980 |
| | (Increase)/Decrease in inventories of finished goods, work in progress and traded goods | | 328,906,898 | (525,204,450) |
| | Excise Duty on Sales | | - | - |
| | Employee Benefits Expense | 20 | 42,430,797 | 38,409,484 |
| | Depreciaton and amortization Expense | 3 | 26,002,072 | 27,801,469 |
| | Finance Costs | 21 | 56,993,709 | 24,685,461 |
| | Other Expenses | 22 | 49,218,218 | 53,041,664 |
| | **Total Expenses** | | **1,746,243,788** | **817,879,608** |
| | **Profit/(Loss) before exceptional itmes and Tax** | | 2,443,335 | (7,072,072) |
| | Exceptionals Items(Previous Years Exp/Income) | | (296,643) | (391,965) |
| | **Profit/(Loss) before Tax** | | 2,739,978 | (6,680,107) |
| | (1) Current Tax | | 381,160 | - |
| | (2) Adjustment of Tax relating to earlier periods | | 2,090 | - |
| | (3) Deferred Tax | | 247,661 | (15,362,228) |
| | (4) MAT credit entitlement | | (381,160) | |
| | **Income Tax Expense** | | 249,751 | (15,362,228) |
| | **Profit/(Loss) for the year** | | 2,490,227 | 8,682,121 |
| | **Other Comprehensive Income** | | (0.26) | (0.26) |
| | Re-measurement Gains/(Losses) on defined benefit plans | | (619,573) | 178,976 |
| | Income Tax effect | | 161,089 | (46,534) |
| | | | (458,484) | 132,442 |
| | **Net Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods** | | (458,484) | 132,442 |
| | | | | |
| | **Other Comprehensive Income for the year, Net of Tax** | | (458,484) | 132,442 |
| | **Total Comprehensive Income for the year, Net of Tax attributable to :** | | 2,031,743 | 8,814,563 |
| | Earnings per Equity share for Profit from continuing operation attributable to owner of Oswal Overseas Limited: | | | |
| | Basic earning per share | | 0.39 | 1.34 |
| | Diluted earning per share | | 0.39 | 1.34 |
| | **Significant Accounting Policies** | 2 | | |
| | **Notes to Accounts** | | | |

The accompanying notes are an integral part of these Financial statements

**For and on Behalf of Board of Directors of Oswal Overseas Limited**

| | | | |
|---|---|---|---|
| sd/- | sd/- | sd/- | sd/- |
| (AIJAZ AHMAD) | (LALIT KUMAR) | (ANOOP KUMAR SHRIVASTAV) | (PARAMJEET SINGH) |
| CFO | COMPANY SECRETARY | DIRECTOR | MANAGING DIRECTOR |

As per our report of even date attached.
**FOR KANSAL JAIN & ASSOCIATES**
**(Formerly known as N J & ASSOCIATES)**
**CHARTERED ACCOUNTANTS**

sd/-
**(CA. SHRI KRISHAN KANSAL)**
Partner
Membership No. : 080632
FRN 023083N

Place : Chandigarh
Dated : 30.07.2020

**OSWAL OVERSEAS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**
**All Amounts in Rupees, unless otherwise stated**

| | Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|---|
| **A** | **Cash flow from Operating activities** | | | |
| **1** | **Profit before Tax** | | **2,739,977.96** | **(6,680,107.33)** |
| **2** | **Adjustments to reconcile Profit before Tax to** | | | |
| | Depreciation and amortisation Expense | 3 | 26,002,071.96 | 27,801,469.00 |
| | Interest Income | 18 | (21,465,580.42) | (6,318,175.42) |
| | (Profit)/ Loss on sale of assets/ Written off (Net) | | (114,182.00) | - |
| | Finance Costs | 21 | 56,993,709.42 | 24,685,461.48 |
| | Liabilities/ Provisions Written back | | (619,573.00) | 178,976.00 |
| | Income Tax Demand | | (2,090.00) | - |
| | | | **60,794,355.96** | **46,347,731.06** |
| **3** | **Operating Profit before working capital** | | **63,534,333.92** | **39,667,623.73** |
| **4** | **Working capital adjustments:** | | | |
| | Trade and other receivables and prepayments | | (51,007,905.29) | 3,947,077.62 |
| | (Increase)/Decrease in Inventories | | 321,901,133.20 | (523,434,330.80) |
| | Increase/(Decrease) Trade and other payables | | (84,395,625.70) | 69,641,915.23 |
| | | | **186,497,602.21** | **(449,845,337.95)** |
| **5** | **Cash generated from Operations (3+4)** | | **250,031,936.13** | **(410,177,714.22)** |
| **6** | Taxes (Paid) /Refund | | - | - |
| **7** | **Net cash flows from Operating activities (5-6)** | | **250,031,936.13** | **(410,177,714.22)** |
| **B** | **Cash Flow from Investing Activities:** | | | |
| | Purchase of Property, Plant and Equipment (PPE) | | (85,398,149.26) | (13,639,361.00) |
| | Sale of Property, Plant and Equipment (PPE) | | 128,904.40 | - |
| | Proceeds from fixed deposits matured during the | | | |
| | Interest Income | | 21,465,580.42 | 6,318,175.42 |
| | **Net cash used in investing activities:** | | **(63,803,664.44)** | **(7,321,185.58)** |
| **C** | **Cash flow from financing activities:** | | | |
| | Increase/(Decrease) in Repayments of Term | 12 | (94,773,451.71) | 429,649,320.49 |
| | Increase/(Decrease) in Repayments of WCL | 12 | (17,454,343.72) | 41,051.60 |
| | Increase/(Decrease) in Interest accured and due | 12 | 1,764,235.00 | (619,039.00) |
| | Increase/(Decrease) in Unsecured Loans | 12 | 4,011,186.00 | 11,384,882.00 |
| | Finance Costs | 21 | (56,993,709.42) | (24,685,461.48) |
| | **Net cash used in Financing Activities:** | | **(163,446,083.84)** | **415,770,753.61** |
| **D** | **Net change in cash and cash equivalents** | | **22,782,187.84** | **(1,728,146.19)** |
| **E - 1** | Cash and cash equivalents at the beginning of the | | 9,447,250.17 | 11,175,396.36 |
| **E - 2** | **Cash and cash equivalents at year end** | | **32,229,438.01** | **9,447,250.17** |

The accompanying notes are an integral part of these Financial statements

**For and on Behalf of Board of Directors of Oswal Overseas Limited**

| sd/- | sd/- | sd/- | sd/- |
|---|---|---|---|
| (AIJAZ AHMAD) | (LALIT KUMAR) | (ANOOP KUMAR SHRIVASTAV) | (PARAMJEET SINGH) |
| CFO | COMPANY SECRETARY | DIRECTOR | MANAGING DIRECTOR |

As per our report of even date attached.
**FOR KANSAL JAIN & ASSOCIATES**
**(Formerly known as N J & ASSOCIATES)**
**CHARTERED ACCOUNTANTS**

Sd/-
**(CA. SHRI KRISHAN KANSAL)**
Partner
Membership No. : 080632
FRN 023083N

Place : Chandigarh
Dated : 30.07.2020

**Oswal Overseas Limited**
**Notes to the Financial Statements for the year ended 31st March 2020**

**1. Corporate Information:**

Oswal Overseas Limited (theCompany) (CIN:L74899DL1984PLC01826) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Itsshares are listed on a recognized stock exchange in India. The Registered office of the Company is located at 72, Ground Floor,TaimoorNagar, Opposite New Friends Colony,New Delhi-110025.

The Company is having its operations in the State of Uttar Pradesh and is principally engaged in the manufacturing of Sugar which is mainly sold in the State ofUttar Pradesh.

Thefinancial statements were authorized for issue in accordance with a resolution by the Board of Directors of the Company on30thJULY 2020.

***2. Significant Accounting Policies***

**2.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian AccountingStandards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31st March 2020, the Companyprepared its financial statements inaccordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

In respect of financial information for the year ended 31st March 2020, the Company followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1st April 2016. Refer to Note 29 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Plan assets under defined benefit plans.
- Certain financial assets and liabilities.

The financial information is presented in Indian Rupees (INR).

**2.1 Summary of Significant Accounting Policies:**

**2.1.1 Property, Plant & Equipment:**

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses, directly attributable and related to acquisition and installation of the concerned assets and is further adjusted by the amount of GST credit credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognized of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as 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 appropriate.

In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

| Sr. No. | Nature of Asset | Useful Life (Years) |
|---|---|---|
| 1. | Buildings | 30 |
| 2. | Plant & Machinery | 25 & 40 |
| 3. | Other Equipments | 5 to 10 |

| | | |
|---|---|---|
| 4. | Vehicles | 10 |
| 5. | Furniture/ Fittings | 10 |

**2.1.2 Current versus Non Current Classification:**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

**2.1.3 Taxes:**

***2.1.3.1 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 in accordance with the Income Tax Act, 1961 (as amended) and Income Computation and Disclosure Standards (ICDS) enacted in India by using the tax rates and tax laws that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either inother comprehensive income or in equity). Current tax items are recognized in correlation to the underlyingtransaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returnswith respect to situations in which applicable tax regulations are subject to interpretation and establishes provisionswhere appropriate.

***2.1.3.2 Deferred Tax:***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets andliabilities and their carrying amounts for financial reporting purposes 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 transactionthat is not a business combination and, at the time of the transaction, affects neither the accounting profit nortaxable profit or loss;

Deferred taxassets (including MAT credit, if any) are recognized for all deductible temporary differences, the carry forward of unused tax creditsand any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit willbe available against which the deductible temporary differences and the carry forward of unused tax credits andunused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition ofan asset or liability in a transaction that is not a business combination and, at the time of the transaction, affectsneither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is nolonger probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it hasbecome 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in othercomprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transactioneither in OCI or directly in equity.

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

Deferred tax including Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**Goods & Service Tax (GST) paid on acquisition of assets or on incurring expenses:**

- Expenses and assets are recognized net of the amount of GST/sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable

When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or other current liabilities in the balance sheet.

**2.1.4 Inventory**

Inventories are valued at the lower of cost and net realizable value.

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

- **Raw materials/ Stores and Spares:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their presentlocation and condition. Cost of Spares is determined on first in, first out basis.

- **Finished goods and Work in Progress**: Cost includes cost of direct materials and labourand a proportion ofmanufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost isdetermined on first in, first out basis.

- **By-Products:** Cost of By- Products includes costs incurred in bringing these products to their presentlocation and condition. Cost is determined on first in, first out basis.

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

**2.1.5 Financial Instruments:**

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

**a. *Financial Assets*:**

The Company classified its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)

- Those measured at amortized cost

**Initial recognition and measurement:**

All financial assets are recognized 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. Purchases 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 trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

**i. Business model test :** The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

**ii. Cash flow characteristics test:** Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the Company estimates the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

**Derecognition:**
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

1. the rights to receive cash flows from the asset have expired, or

2. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

a. the Company has transferred the rights to receive cash flows from the financial assets or

b. The Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where 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 derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Impairment of financial assets:**
In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

Financial assets measured at amortized cost e.g. Loans, security deposits, trade receivable, bank balance.

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analyzed.

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

**b. Financial Liabilities:**

**Initial recognition and measurement:**
Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits and other payables.

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

**Trade Payables:**
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-12 months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using EIR method.

**Financial Liabilities at fair value through profit & loss:**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. 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 profit or 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 risk is recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. 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 or loss.

**Loans & Borrowings:**
Borrowings are initially recognized at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

**Derecognition:**
A financial liability is derecognized 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 medication 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.

**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 realize the assets and settle the liabilities simultaneously.

**2.1.6 Cash & Cash Equivalents:**
Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand, other short term deposits with original maturities of three months or less which are subject to an insignificant risk of changes in value.

**2.1.7 Mandatorily Redeemable Preference Shares:**
A mandatorily redeemable preference share with dividends paid at the issuer's discretion, which effectively comprises: a financial liability (the issuer's obligation to redeem the shares in cash); and an equity instrument (the holder's right to receive dividends if declared. Such preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the mandatorily redeemable preference shares with dividends declared at the issuer's discretion, the present value of the redeemable amount is calculated using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on redemption. The unwinding of the discount on this component is recognized in profit or loss and classified as interest expense.

The remainder of the proceeds is recognized and included in equity as per Ind AS 32. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not premeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of such preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

**2.1.8 Provisions:**
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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but onlywhen the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

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

***Contingent Liabilities***
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The

Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.
Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**2.1.9 Employee Benefits:**

***2.1.9.1 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 employee's service up to the end of 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 obligation in the balance sheet.

***2.1.9.2 Other Long term employee benefit obligations:***
The liabilities for earned 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 based on the actuarial valuation using projected unit credit method at the year end. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the term of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

*2.1.9.3* Post-employment obligations: The Company operates the following post-employment schemes:
*2.1.9.3.1* Defined benefit plans such as gratuity; and
*2.1.9.3.2* Defined contribution plans such as provident fund.

***Gratuity Obligations:***
Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- Net interest expenses or income.

**2.1.10 Revenue Recognition:**

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers.

***Revenue from contract with customers***
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, on delivery of the goods. The normal credit term is 7 to 30 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

***Contract balances***

***Contract Assets***
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

***Trade receivables***
A receivable represents the Companies right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

***Contract liabilities***

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

***Interest income***

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. 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.

**2.1.11 Leases**

***Company, as a lessee***

The Company as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

***The Company as a lessor***

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**2.1.12 Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

**i.** In the principal market for the asset or liability, or

**ii.** 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 date are available to measure fair value, maximising the use of relevant observable inputs and minimising 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:

a. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c. 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.
At each reporting date, the 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.
The 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.
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.

**2.1.13 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

***Judgments***

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

***Operating lease commitments - Company as lessee***

The Company has taken various properties on leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a. Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

**b. Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

**c. Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**2.1.14 Borrowing Costs:**

Borrowing cost includes interest expense as per effective interest rate [EIR]. 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 capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. Capitalization of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

**2.1.15 Impairment of Non-Financial Assets:**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If anyindication exists, or when annual impairment testing for an asset is required, the Company estimates the assetsrecoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fairvalue less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless theasset does not generate cash inflows that are largely independent of those from other assets or groups of assets.When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-taxdiscount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no suchtransactions can be identified, an appropriate valuation model is used. These calculations are corroborated byvaluation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are preparedseparately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecastcalculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated andapplied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered bythe most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady ordeclining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth ratedoes not exceed the long-term average growth rate for the products, industries, or country or countries in which theentity operates, or for the market in which the asset is used.

Impairment losses of operations, including impairment on inventories, are recognized in the statement ofprofit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For suchproperties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

After impairment depreciation is provided on the revised carrying amount of the asset over its remaining economic life.

An assessment is made in respect of assets at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**2.1.16 Government Grants:**

Government grants are recognized where there is reasonable assurance that the grant will be received and allattached conditions will be complied with. When the grant relates to anexpense item, it is recognized as income on asystematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Whenthe grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the relatedasset. However if any export obligation is attached to the grant related to an asset, it is recognized as income on the basis of accomplishment of the export obligation.
When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amountsand released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlyingasset i.e. by equal annual installments.

**2.1.17 Earnings per share**

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of company (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## Note: 3 Property, Plant and Equipment (PPE)

| Particulars | Freehold Land | Freehold Buildings | Plant& Machinery | Furniture, Fitting & Equipments/ Installations | Vehicles | Others Equipments | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|
| | INR | INR | INR | INR | INR | INR | INR | INR |
| **Year ended 31 March 2019** | | | | | | | | |
| Gross Carrying Amount | | | | | | | | |
| Opening Gross Carrying Amount | **151,140,000** | **220,669,130** | **313,067,935** | **31,910,003** | **44,275,698** | **10,141,485** | **771,204,250.98** | **2,272,429** |
| Additions | - | - | 11,617,780 | 390,859 | - | 1,032,292 | 13,040,930.78 | 598430 |
| Disposals | - | - | - | - | | - | - | |
| **Closing Gross Carrying Amount as at 31 March 2019** | **151,140,000** | **220,669,130** | **324,685,715** | **32,300,861** | **44,275,698** | **11,173,778** | **784,245,181.76** | **2,870,859** |
| Accumulated Depreciation | | | | | | | | |
| **Opening Accumulated Depreciation** | - | 13,887,685.00 | 23,344,325.00 | 30,450,680.04 | 28,608,220.32 | 8,544,807.57 | 104,835,717.93 | - |
| Depreciation charge during the year | - | **7,245,842** | **12,673,618** | **271,071** | **6,489,743** | **1,121,195** | **27,801,469** | - |
| Disposals | - | - | - | - | | - | - | |
| Closing Accumulated Depreciation as at 31 March 2019 | - | 21,133,527 | 36,017,943 | 30,721,751 | 35,097,963 | 9,666,003 | 132,637,187 | - |
| **Net Carrying Amount as at 31 March 2019** | **151,140,000** | **199,535,603** | **288,667,772** | **1,579,110** | **9,177,735** | **1,507,775** | **651,607,995** | **2,870,859** |
| **Year ended 31 March 2020** | | | | | | | | |
| Gross Carrying Amount | | | | | | | | |
| Opening Gross Carrying Amount | **151,140,000** | **220,669,130** | **324,685,717** | **32,300,861** | **44,275,698** | **11,173,778** | 784,245,183 | **2,870,859** |
| Additions | - | 3,037,323 | 66,244,690 | 172,673 | 15,590,532 | 321,361 | 85,366,579 | 630,000 |
| Disposals | - | - | - | - | (522,804) | - | (522,804) | (598,430) |
| **Closing Gross Carrying Amount as at 31 March 2020** | **151,140,000** | **223,706,453** | **390,930,407** | **32,473,534** | **59,343,426** | **11,495,139** | **869,088,958.54** | **2,902,429** |
| **Accumulated Depreciation** | | | | | | | | |
| Opening Accumulated Depreciation | - | 21,133,527 | 36,017,943 | 30,721,751 | 35,097,963 | 9,666,003 | 132,637,187.00 | - |
| Depreciation charge during the year | - | 7,266,462 | 13,325,860 | 985,061 | 3,384,600 | 1,040,089 | 26,002,071.96 | - |
| Disposals | - | - | - | - | (508,080) | - | (508,080) | |
| **Closing Accumulated Depreciation as at 31st March 2020** | **-** | **28,399,989** | **49,343,803** | **31,706,812** | **37,974,483** | **10,706,092** | **158,131,178.96** | **-** |
| **Net Carrying Amount as at 31st March 2020** | **151,140,000** | **195,306,464** | **341,586,604** | **766,722** | **21,368,943** | **789,047** | **710,957,779.58** | **2,902,429** |

No Borrowing cost are capitalized either on PPE or on Asset under construction (CWIP).

**Charge on PPE**

Entire PPE (except Vehicle) is subject to First Charge to secure bank Loans. Respective vehilces are also subject to charge to secure the Loan availed for acquire the same.

**OSWAL OVERSEAS LIMITED**

**Notes forming integral part of financial statements**

| **4. Financial Assets - Loans** (Unsecured, considered good unless otherwise stated) | **March 31, 2020** **INR** | **March 31, 2019** **INR** |
|---|---|---|
| Loans & Advances | 22,830,908 | 23,944,711 |
| Security Deposits | 657,372 | 657,372 |
| | **23,488,280** | **24,602,083** |
| Current | 22,830,908 | 23,944,711 |
| Non-Current | 657,372 | 657,372 |

| **5. Prepayments** | **March 31, 2020** **INR** | **March 31, 2019** **INR** |
|---|---|---|
| Deferred Loan Processing Fees | 21,031 | 135,466 |
| Pre Paid Expenses | 1,684,255 | 583,610 |
| | **1,705,286** | **719,076** |
| Current | 1,705,286 | 698,045 |
| Non-Current | - | 21,031 |

| **6. Inventories** | **March 31, 2020** **INR** | **March 31, 2019** **INR** |
|---|---|---|
| (a) Raw Materials (at Cost) | 135,070 | 25,737 |
| (b) Work-in-progress (at Cost including appropriate overhead) | 31,283,947 | 27,457,994 |
| (c) Finished Goods (at lower of cost and Net realisable value) | 633,068,439 | 965,801,290 |
| (d) Stores and spares (at Cost) | 29,282,021 | 22,385,590 |
| | **693,769,477** | **1,015,670,610** |

| **7. Trade receivables** (Unsecured, considerd good) | **March 31, 2020** **INR** | **March 31, 2019** **INR** |
|---|---|---|
| Trade receivables | 11,836,742 | 11,088,076 |
| | **11,836,742** | **11,088,076** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any

trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on Terms of 30 to 45 days.

| **8. Cash and cash equivalent** | **March 31, 2020** **INR** | **March 31, 2019** **INR** |
|---|---|---|
| (A) Balances with Banks | | |
| *(I) Bank Balances held as margin money or as security against:* | | |
| (i) Guarantees | 2,247,396 | 1,847,749 |
| (ii) Letters of Credit | - | - |
| (II) In Current Accounts | 23,715,602 | 7,025,639 |
| (B) Cash on hand | 6,266,439 | 573,862 |
| | **32,229,437** | **9,447,250** |
| Cash & Cash Equivalents | 22,790,363 | 7,559,639 |
| Bank Balance other than above | 9,439,074 | 1,887,611 |

**OSWAL OVERSEAS LIMITED**
**Notes forming integral part of financial statements**

| **9. Other Financial Assets** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| **(Unsecured, considered good)** | **INR** | **INR** |
| Capital Advances | - | - |
| **Others** | | |
| Balance with Revenue Authorities | - | - |
| Tax and duties Recoverable | 3,916,835 | 1,745,671 |
| Interest & Other Receivable | - | - |
| Taxes under protest/appeal | 3,051,952 | 3,159,227 |
| Subsidy receivable from government | 48,322,942 | |
| | **55,291,729** | **4,904,898** |
| Current Assets | 52,239,777 | 1,745,671 |
| Non-current Assets | 3,051,952 | 3,159,227 |

**10. Share Capital**

| **Authorised Share Capital** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| **Equity Shares** | **No.** | **INR** |
| **At 1st April 2018** | 36,000,000 | 36,000,000 |
| Increase/(decrease) during the year | - | - |
| **At 31 March 2019** | 36,000,000 | 36,000,000 |
| Increase/(decrease) during the year | - | - |
| **At 31 March 2020** | **36,000,000** | **36,000,000** |

**Terms/ rights attached to Equity Shares**

The company has only one class of Equity Shares having par value of INR 10 per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends, if any, in Indian rupees.

In the event of liquidation of the company, the Holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential Amounts. The distribution will be in proportion to the number of Equity Shares held by the shareHolders.

| **0.1% Non Cumulative Redeemable Preference Shares** | **No.** | **INR** |
|---|---|---|
| **At 31 March 2019** | 6,000,000 | 6,000,000 |
| Increase/(decrease) during the year | - | - |
| **At 31 March 2020** | **6,000,000** | **60,000,000** |

**Terms/ rights attached to Preference Shares**

The Preference Shares issued by the company are non-convertible and will be redeemed in year 2036 at the price of INR 10/- per share. The

| **Issued Share Capital** | | |
|---|---|---|
| **Equity Shares** | **No.** | **INR** |
| **At 31 March 2019** | 6,461,050 | 6,461,050 |
| Increase/(decrease) during the year | - | - |
| **At 31 March 2020** | **6,461,050** | **64,610,500** |

| **Equity Component of Redeemable Preference Shares of INR 10 each issued and fully paid** | **No.** | **INR** |
|---|---|---|
| **At 31 March 2019** | 6,000,000 | 6,000,000 |
| Increase/(decrease) during the year | - | - |
| **At 31 March 2020** | **6,000,000** | **39,643,374** |

This note covers the Equity Component of the issued Convertible Preference Shares. The Liability Component is reflected in financial Liabilities.

**OSWAL OVERSEAS LIMITED**
**Notes forming integral part of financial statements**

**Details of shareholders holding more than 5% Shares in the company**

| Name of the shareholder | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | No. | % holding in the class | No. | % holding in the class |
| **Equity Shares of INR 10 each** | | | | |
| 1. Paramjeet Singh | 1,808,710 | 27.99% | 1,808,710 | 27.99% |
| 2. Manjeet Singh | - | 0.00% | - | 0.00% |
| 3. Surjeet Singh HUF | 1,221,650 | 18.91% | 1,221,650 | 18.91% |
| 4. Surjeet Singh | 1,739,840 | 26.93% | 1,739,840 | 26.93% |
| **Preference Shares of INR 10 each** | | | | |
| 1. Surjeet Singh HUF | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |
| 2. Jagjeet Kaur | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |
| 3. Gurinder Kaur | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |
| 4. Paramjeet Singh HUF | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |
| 5. Surjeet Singh | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |
| 6. Gulshan Kaur | 1,000,000.00 | 16.67% | 1,000,000.00 | 16.67% |

**11. Other Equity**

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Securities Premium Reserve | 159,010,800 | 159,010,800 |
| Retained Earnings | (175,472,120) | (177,239,051) |
| | **(16,461,320)** | **(18,228,251)** |
| Reserves and Surplus | (175,472,120) | (177,239,051) |
| Other Reserve | 159,010,800 | 159,010,800 |

| **Securities Premium Reserve** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Opening Balance | 159,010,800 | 159,010,800 |
| Appropriations during the year | - | - |
| **Closing Balance** | **159,010,800** | **159,010,800** |

| **Retained Earnings** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Opening Balance | (177,239,051.00) | (185,771,131) |
| Net Profit for the period | 2,490,227 | 8,682,121 |
| Items of other Comprehensive Income recognised directly in retained Earnings | (458,484) | 132,442 |
| Appropriation for Molasses Storage Fund | (264,812) | (282,483) |
| **Closing Balance** | **(175,472,120)** | **(177,239,051)** |

| **13. Provisions** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Provision for employee Benefits | 2,829,885.00 | 2,549,170.00 |
| Provision of income tax | 381160 | |
| | **3,211,045.00** | **2,549,170.00** |
| Current | 377,180.00 | 441,167.00 |
| Non-Current | 2,833,865.00 | 2,108,003.00 |

**12. Borrowings**

| | Effective Interest rate | Maturity | Installment (No.) | March 31, 2020 | March 31, 2019 |
|---|---|---|---|---|---|
| | | | | INR | INR |
| **Non-Current Borrowings** | | | | | |
| **Term Loan** | | | | | |
| **From Banks** | | | | | |
| (i) Term Loan from SBI (Secured)- SEFASU Loan 2014 | 10.15% | September 2014- September 2019 | 21 | - | 12,390,092 |
| (ii) WCTL State Bank of India (Secured) | 10.15% | September 2015- December 2020 | 36 | - | 17,650,910 |
| (iii) Sugar Development Fund | 4% | October 2011- October 2017 | 4 | - | - |
| (iv) Liability Component of compound financial instrument (Unsecured) | 16.85% | January 2016- January 2036<br>February 2016-February 2036 | Lumpsum | 5,114,059 | 4,376,602 |
| (v) Vehicle Loans (Secured)( Refer note no. 29) | | | | 15,219,098 | 3,703,370 |
| (vii) Soft Loan from SBI (SAFASU 2018) | 5% | Nov 2018- June 2024 | 60 | 389,473,995 | 464,695,395 |
| **Unsecured Loans** | | | | - | - |
| - From Directors (Unsecured) (Refer Note No. 24) | | | | 62,211,000 | 58,228,000 |
| - From Intercorporate (Unsecured)(Refer note no. 30) | | | | 6,000,000 | 5,971,814 |
| **Total borrowings** | | | | **478,018,153** | **567,016,183** |
| Less: Current maturities of debt | | | | (106,980,000) | (102,625,092) |
| Less: Current maturities of vehicle Loans | | | | (3,502,879) | (954,788) |
| Less: Interest accrued and due | | | | (1,915,145) | (150,910) |
| **Non current borrowings** | | | | **365,620,129** | **463,285,393** |

| | Effective Interest rate | Maturity | March 31, 2020 | March 31, 2019 |
|---|---|---|---|---|
| | | | INR | INR |
| **Current borrowings** | | | | |
| **(A) Loans repayable on demand** | | | | |
| **Secured** | | | | |
| From banks | 10.15% | On Demand | 32,473,830 | 49,928,174 |
| **Total Current borrowings** | | | **32,473,830** | **49,928,174** |

| | March 31, 2020 | March 31, 2018 |
|---|---|---|
| | INR | INR |
| **(B) Other financial liablities** | | |
| **Current** | | |
| Current maturities of debt | 106,980,000 | 102,625,092 |
| Current maturities of vehicle Loans | 3,502,879 | 954,788 |
| Interest accrued and due | 1,915,145 | 150,910 |
| | **112,398,024** | **103,730,790** |

At 31 March 2020 there were 6000000 no. of redeemable preference shares in issue. Each share has a par value of INR 10. Preference shares will be redeemed in year 2036 at par. The preference shares carry a dividend of 0.1% per annum, payable yearly in arrears on 31 March. The dividend rights are non-cumulative. The preference shares rank ahead of the Equity shares in the event of a liquidation. The presentation of the liability and Equity portions of these shares is explained in the summary of significant Accounting policies.

As at 31 March 2020 there is a Soft Loan Of Rs. 53,49,00,000 sanctioned on 28/11/2018 and disbursed on Date- 30 Nov 2018 by UP Govt. to Clear Cane Dues pertaining to crushing season 2017-18 ,that is payable in 60 monthly installments starting from July 2019

**OSWAL OVERSEAS LIMITED**

**Notes forming integral part of financial statements**

| **14. Deferred Tax Assets/(Liabilities)(Net)** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Deferred Tax Asset/(Liability)(Net) (Refer Note No. 25) | (54,404,023) | (54,317,450) |
| MAT Credit | 12,379,830 | 11,998,669 |
| | | - |
| | **(42,024,193)** | **(42,318,781)** |

**Reconciliation of Tax Expense and the Accounting Profit multiplied by India's domestic Tax rate for 31 March 2017 and 31 March 2018:**

| | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Accounting Profit before Income Tax | 2,443,334.76 | (7,072,072.33) |
| At India's statutory Income Tax rate of 26 %(31 March 2019: 26%) | 635,267.04 | (1,838,738.81) |
| Non-deductible Expenses for Tax purposes | 532,792.61 | 4,264,405.52 |
| Utilisation of previously unrecognised Tax Losses | (1,168,059.65) | (2,425,666.71) |
| Minimum alternative tax | 381,160.22 | |
| **Income Tax Expenses reported in the statement of Profit & Loss A/c** | 381,160.00 | - |

| **Reconciliation of Deferred Tax Liabilities (Net):** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Opening Balance as of 1 April | (54,317,450.48) | (69,633,145.00) |
| Tax Income/(Expense) during the period recognised in Profit or Loss | (247,661.16) | 15,362,228.28 |
| Tax Income/(Expense) during the period recognised in OCI | 161,088.98 | (46,533.76) |
| Closing Balance as at 31 March | (54,404,022.66) | (54,317,450.48) |

**OSWAL OVERSEAS LIMITED**
**Notes forming integral part of financial statements**

**15. Other Liabilities**

| | March 31, 2020 | March 31, 2019 | |
|---|---|---|---|
| | INR | INR | |
| Statutory Dues Payables | 4,770,495 | 2,606,594 | |
| Advance From Customers(contract assets) | 2,204,773 | 610,840 | |
| Security Received | 2,931,428 | 3,138,612 | |
| Other Liabilities and payables | 20,131,315 | 28,469,814 | |
| Molasses Storage Fund | 806,835 | 542,023 | |
| Deffered Interest Income (On SEFASU Loan 2018) | 58,191,150 | 79,235,622 | 21,044,472 |
| | **89,035,996** | **114,603,506** | |
| Current | 48,151,056 | 52,513,722 | |
| Non-Current | 40,884,940 | 62,089,784 | |

| **16. Trade payables** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Trade Payables - MSME | 1,024,859 | 1,438,414 |
| Trade Payables - Others | 798,600,531 | 857,030,995 |
| | **799,625,390** | **858,469,409** |

Terms and conditions of the above financial Liabilities

► Trade payables are non-interest bearing and are normally settled as per terms of the respective contract.

| **17. Revenue from Operations** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Revenue from Sale of products | 1,717,309,716 | 790,934,604 |
| **Total sale of products** | **1,717,309,716** | **790,934,604** |
| Other Operating Revenues | - | - |
| **Total** | **1,717,309,716** | **790,934,604** |

| **18. Other Income** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Interest Income | 21,465,580 | 6,318,175 |
| Other Non-Operating Income/(Expenses) (Net of Expenses directly attributable to such Income) | 9,911,827 | 13,554,756 |
| | **31,377,407** | **19,872,932** |

| **19. Cost of Raw Material and Components Consumed** | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | INR | INR |
| Inventory at the beginning of the year | 25,737 | 476,450 |
| Add: Purchase | 1,242,801,428 | 1,198,695,267 |
| | 1,242,827,164 | 1,199,171,717 |
| Less: Inventory at the end of the year | 135,070 | 25,737 |
| Cost of Raw Material and Components Consumed | **1,242,692,094** | **1,199,145,980** |

**OSWAL OVERSEAS LIMITED**

**Notes forming integral part of financial statements**

| **20. Employee Benefits Expenses** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Salaries, wages and bonus | 41,233,179 | 36,413,727 |
| Contribution to provident and other funds | 948,913 | 954,580 |
| Gratuity Expense | - | 661,675 |
| Leave Encashment | 125,609 | 205,602 |
| Staff welfare Expense | 123,096 | 173,900 |
| | **42,430,797** | **38,409,484** |

| **21. Finance Costs** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Interest Expense | 56,188,542 | 24,382,984 |
| Other borrowing cost | 805,168 | 302,477 |
| | **56,993,709** | **24,685,461** |

| **22. Other Expenses** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| Power and Fuel | 2,793,617 | 2,309,356 |
| Other manufacturing Expenses | 15,110,968 | 14,147,580 |
| Rent | 192,000 | 220,852 |
| Rates and Taxes | 1,067,262 | 940,442 |
| Insurance | 669,017 | 793,422 |
| *Repairs and maintence* | - | - |
| Plant and machinery | 14,246,464 | 20,447,096 |
| Buildings | 3,355,646 | 3,278,234 |
| Office Expenses | 4,266,816 | 3,669,479 |
| Vehicle Running & Maintenance | 2,171,493 | 1,698,253 |
| Travelling and conveyance | 589,176 | 471,432 |
| Legal and professional fees | 2,799,822 | 3,592,811 |
| Payment to auditior | 176,400 | 155,250 |
| Directors' sitting fees | - | - |
| Other Expenses | 1,779,537 | 1,317,456 |
| | **49,218,218** | **53,041,664** |

| **Payment to Auditors** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| | **INR** | **INR** |
| As auditor: | | |
| Audit fee | 150,000.00 | 100,000.00 |
| Tax audit fee | 25,000.00 | 25,000.00 |
| Limited review | - | - |
| In other capacity: | - | - |
| Taxation matters | - | - |
| Other services (cerfification fees) | | 30,250.00 |
| | **175,000.00** | **155,250.00** |

**For and on Behalf of Board of Directors**
**of Oswal Overseas Limited**

| | | | |
|---|---|---|---|
| Sd/- | Sd/- | Sd/- | Sd/- |
| (AIJAZ AHMAD) | (LALIT KUMAR) | (ANOOP KUMAR SHRIVASTAV) | (PARAMJEET SINGH) |
| CFO | COMANY SECRETARY | DIRECTOR | MANAGING DIRECTOR |

**Oswal Overseas Limited**

**Notes to the Financial Statements for the year ended 31st March 2020**

**23. Contingent liabilities:**

Liabilities in respect of Income Tax and Sales Tax have been accounted for on the basis of respective returns filed with the relevant authorities. Additional demand, if any, arising at the time of assessment is accounted for in the year in which assessment is completed. Income Tax assessments have been assessed up to the assessment year 2016-17 and there is no outstanding demand is case of completed assessments. Sales Tax assessments have been completed up to financial year 2015-16. The Demands have been raised by the Sales Tax Department and the Excise Department on account of Entry Tax, CENVAT Credit, Penalty etc. The Status of such assessments is provided below:

| STATUS OF ENTRY TAX CASES AS ON 31st March 2020 | | | | |
|---|---|---|---|---|
| **S.No.** | **YEAR** | **PENDING WITH** | **CAUSE** | **STATUS** |
| 1 | 2000-01(Entry Tax) | Supreme Court | E.Tax Rs. 10 lac on Sale of Sugar Out of UP. | Stayed by H.Court on dt. 15.04.2003 Writ No. **588/2003** |
| 2 | 2001-02(Entry Tax) | Supreme Court | EntryTaxRs. 6004557/- on Sale of Sugar Out of UP. | Stayed by H.Courtdt. 03.02.04 Writ No. **92/2004** |
| 3 | 2002-03(Entry Tax) | Supreme Court | EntryTaxRs. 3505535/- on Sale of Sugar Out of UP. | **Step I** Stayed by H.Courtdt. 18.10.06 Writ No. 1568/2006 **Step II** Writ No. 1568 dismissed by the H. Court on dt. 23.12.2011 & tagged with order for Writ No. 1484/2007 ITC v/s UP Govt. **Step III** Stayed 50% against bank guarantee on dt. 06.02.12 by Supreme Court |
| 4* | 2007-08(Entry Tax) | Pending for Commissioner | E. Tax Rs. 4079891/- assessed by dy. Commissioner on dt. 28/01/10 | **Step I** Remand order passed on dt. 24.02.10by Addl. Commissioner for Ist appeal no. 142/2010 **Step II** Remand order passed by additional commissioner dt. 24.02.12 **Step III** IInd appeal filed on 20.06.12 with delay condonation |
| 5* | 2008-09(Entry Tax) | Tribunal | Entry tax assessed Rs. 2559663/- by Jt. Commissioner Corp. Circle on dt. 28.02.11 | **Step I** Ist appeal no. 581/2011 filed **Step II** IInd appeal no. 231/2011 filed on dt. 27.04.11against 60% stay obtained on first appeal dt. 04.05.11 interim stay (100%) **Step III** 90% final stay granted by tribunal on dt. 21.07.2011 |
| | 2009-10(Entry Tax) | Tribunal | Entry tax assessed Rs. 934464/- by Jt. Commissioner Corp. Circle on dt. 28.03.11 | **Step I** IInd appeal no. 235/2011 filed on dt. 18.05.11against 60% stay obtained on first appeal dt. 04.05.11 interim stay (100%) **Step II** 90% final stay granted by tribunal on dt. 21.07.2011 |

| STATUS OF GST CASES AS ON 31st MARCH 2020 | | | | |
|---|---|---|---|---|
| **S.NO.** | **YEAR** | **PENDING WITH** | **CAUSE** | **STATUS** |
| 1* | 2018-19 | GST AUTHORITY MORADABAD | PENALTY | RS.112000/- Disputed under GST |

**24. RELATED PARTY TRANSACTION:**

| **Loans Received & Given, Sales & Purchases from Related Parties** | **F.Y.** | **Sales to related parties** | **Purchases from related parties** | **Amounts owed by related parties*** | **Amounts owed to related parties*** | **(Loans Given)/ Received** | **(Repayment)** | **Amounts owed by related parties** |
|---|---|---|---|---|---|---|---|---|
| | | INR lacs | INR lacs | INR lacs | INR lacs | INR lacs | INR lacs | INR lacs |
| **Entity in which the** | 31-Mar-20 | - | - | - | - | - | - | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Director's are interested** | 31-Mar-19 | - | - | - | - | - | - | - |
| **Directors** | 31-Mar-20 | - | - | - | - | 472.18 | (432.35) | 622.11 |
| | 31-Mar-19 | - | - | - | - | 579.75 | (471.55) | 582.28 |
| **Relatives of Directors** | 31-Mar-20 | - | - | - | - | - | - | - |
| | 31-Mar-19 | - | - | - | - | - | - | - |

| **Key Management Personnel** | **F.Y.** | **Short Term Employee Benefits** | **Post Employment Benefits** | **Loans Given/ (Received)** | **(Repayment) / Received** | **Amounts owed by Key Management Personnal** |
|---|---|---|---|---|---|---|
| CEO | 31-Mar-20 | 12.07 | 0.44 | - | - | - |
| | 31-Mar-19 | 8.40 | 0.47 | - | - | - |
| CFO | 31-Mar-20 | 5.43 | 1.06 | - | - | - |
| | 31-Mar-19 | 5.40 | 0.77 | - | - | - |
| CS | 31-Mar-20 | 4.91 | 0.69 | - | - | - |
| | 31-Mar-19 | 4.68 | 0.45 | - | - | - |
| Director sitting fees | 31-Mar-20 | 0.00 | - | - | - | - |
| | 31-Mar-19 | 0.00 | - | - | - | - |

The amounts disclosed in the table relating to employee benefits are the amounts recognised as an expense during the reporting period related to key management personnel.

**Terms and conditions of transactions with related parties**

Outstanding balances of Unsecured Loan of the Directors at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2017: INR Nil, 1st April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**25. Deferred Tax**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has tax losses (Business Loss) of INR 18,09,55,020(pertaining to A.Y. 2018-2019)INR 5,09,23,546(pertaining to A.Y. 2016-2017), INR 8,68,67,434(pertaining to A.Y. 2015-16), INR 7,16,78,892(pertaining to A.Y. 2014-15) and INR 91,91,317(pertaining to A.Y. 13-14) that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose. Majority of these losses will expire in March 2023.

Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits since they have arisen on account of recent losses incurred by the company for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognizeddeferred tax assets, the profit would increase by INR(10,5982928).

**26. Employee Benefits:**

**A. Defined Contribution Plan**

Contribution to defined contribution plan, recognized as expense for the year is as under:

**(Amount in Rs.)**

| **Particulars** | **2019-20** | **2018-19** |
|---|---|---|
| Employer's contribution towards Provident Fund | 283477 | 284536 |

**B. Defined Benefit Plan**

**General description of the plan:**

| Gratuity | Leave Encashment |
|---|---|
| Unfunded | Unfunded |

**C. Method of valuation:** Projected unit Credit Method

**D. Reconciliation of opening and closing balance of defined benefit obligation:**

**(Amount in Rs.)**

| Item | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Net opening liability/(asset) | 19,58,831 | 14,96,781 | 5,90,340 | 4,98,945 |
| Expenses as recognized in P&L account | (3,35,963) | 6,61,676 | 1,25,609 | 2,05,602 |
| Remeasurements | 5,68,963 | (1,99,626) | 50,610 | 20,650 |
| Contributions/benefits paid | 0 | 0 | (1,28,504) | (1,34,857) |
| Net closing liability(asset) | 21,91831 | 19,58,831 | 6,38,055 | 5,90,340 |

**E. Fair Value of Plan Assets:**

**(Amount in Rs.)**

| Particulars | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| FV of plan assets at the beginning of the period | - | - | - | - |
| Expected Return on plan assets | - | - | - | - |
| Contributions paid by the employer | - | - | - | - |
| Benefit paid by Fund | - | - | - | - |
| Assets Acquired/Ceded on settlement | - | - | - | - |
| Actuarial Gains/(Losses) on plan assets | - | - | - | - |
| Return on plan assets excluding interest income | - | - | - | - |
| FV of plan assets at the end of the period | - | - | - | - |

**F. Amount recognized in the balance sheet:**

**(Amount in Rs.)**

| Particulars | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Present value of DBO/LTEB | 21,91831 | 19,58,831 | 6,38,055 | 5,90,340 |
| FV of plan assets | - | - | - | - |
| Unrecognized past service cost(Non vested) | - | - | - | - |
| Net Liability/(Asset) recognized in Balance Sheet | 21,91831 | 19,58,831 | 6,38,055 | 5,90,340 |

**G. <u>Expense Recognized in Profit or Loss Statement</u>**

**(Amount in Rs.)**

| Particulars | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Current Service Cost | 95,669 | 5,42,921 | 1,37,961 | 1,72,002 |
| Interest Cost | - | - | - | - |
| Actuarial (Gain)/Loss of obligations | (5,68,963) | - | (50,610) | 20,650 |
| Actuarial (Gain)/Loss of plan assets | - | - | - | - |
| Benefits paid directly by the employer | - | - | - | - |
| Expected Return on plan assets | - | - | - | - |
| Net Interest Cost | 1,37,331 | 1,15,147 | 38,258 | 31,816 |
| Past Service Cost – Vested | - | 3,608 | - | - |
| Past Service Cost – Non Vested | - | - | - | - |
| Total Expense Recognized in Profit or Loss Statement | (3,35,963) | 6,61,676 | 1,25,609 | 2,24,468 |

**H. Amount Recognized in Other Comprehensive Income**

(Amount in Rs.)

| Particulars | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Actuarial (Gain)/Loss on obligations– Due to change in Financial Assumptions | 141874 | (458) | 30045 | (3,114) |
| Actuarial (Gain)/Loss on obligations – Due to change in demographic Assumptions | (1033) | - | (259) | - |
| Actuarial (Gain)/Loss – Due to experience variance | (7,09,804) | 2,00,084 | (81,396) | (19,318) |
| Return on plan assets other than amounts included in net interest cost | - | - | - | - |
| Re-measurement arising from change in asset ceiling | - | - | - | - |
| Net(Income)/Expense for the period recognized in Other Comprehensive Income | (5,68,963) | 1,99,626 | (50,610) | (22,432) |

**I. Valuation Assumptions(Financial)**

| Particulars | 2020 | 2019 |
|---|---|---|
| Discount Rate | 6.85% | 7.55% |
| Estimated rate of increase in compensation levels | 5.50% | 5.50% |
| Expected rate of return on plan assets | NA | NA |

**(Demographic)**

| | |
|---|---|
| Mortality basis | Indian Assured Lives Mortality (2006-08) Ult. |
| Attrition | 4.5% |
| Disability | No explicit allowance |
| Leave a ailment factor | 0% |

**Average Weighted Duration of Liabilities:**
**Sensitivity Analysis**

(Amount in Rs.)

| Item | Gratuity | | Leave | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Increase Discount Rate by 0.50% | 20,81,122 | 18,66,178 | 6,09,537 | 5,64,712 |
| Decrease Discount Rate by 0.50% | 23,12,451 | 20,59,860 | 6,69,179 | 6,18,273 |
| Increase Salary Inflation by 0.5% | 23,13,468 | 20,61,404 | 6,69,437 | 6,18,697 |
| Decrease Salary Inflation by 0.5% | 20,79,257 | 18,64,040 | 6,09,064 | 5,64,112 |
| Increase in Withdrawal Rate by 20%(2019)/10%(2018) | 21,94,524 | 19,64,849 | 6,40,483 | 5,93,779 |
| Decrease in Withdrawal Rate by 20%(2019)/10%(2018) | 21,88,796 | 19,52,284 | 6,35,506 | 5,86,742 |

**27. Fair Value of Financial Instruments**

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

| Category | Carrying value | | Fair Value | |
|---|---|---|---|---|
| | 31-Mar-20 | 31-Mar-19 | 31-Mar-20 | 31-Mar-19 |
| **Financial asset at amortized cost** | | | | |
| Loans (refer note no 4) | 23,488,280 | 2,46,02,083 | 23,488,280 | 2,46,02,083 |
| Other current financial assets (refer note no 7) | 11,836,742 | 1,10,88,076 | 11,836,742 | 1,10,88,076 |
| **Financial liabilities at amortized cost** | | | | |
| Non-Current borrowings including current maturities (refer note no 12) | 478,018,153 | 56,70,16,183 | 478,018,153 | 56,70,16,183 |
| Current borrowings (refer note no 12) | 32,473,830 | | 32,473,830 | 4,99,28,174 |

The management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors, other current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of loans from banks and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Company enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses Mark to Market provided by Bank for valuation of these derivative contracts.

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2019 was assessed to be insignificant.

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 20120

| **Particulars** | **Carrying value March 31, 2020** | **Fair value** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| Loans (refer note no 4) | 23,488,280 | - | 23,488,280 | - |
| Other current financial assets (refer note no 7) | 11,836,742 | - | 11,836,742 | - |

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019

| **Particulars** | **Carrying value March 31, 2019** | **Fair value** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| Loans (refer note no 4) | 2,46,02,083 | - | 2,46,02,083 | - |
| Other current financial assets (refer note no 7) | 1,10,88,076 | - | 1,10,88,076 | - |

(iii)Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

| **Particulars** | **Carrying value March 31, 2020** | **Fair value** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| Non-Current borrowings including current maturities (refer note no 12) | 478,018,153 | - | 478,018,153 | - |
| Current borrowings (refer note no 12) | 32,473,830 | - | 32,473,830 | - |

(iv)Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019

| **Particulars** | **Carrying value March 31, 2019** | **Fair value** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| Non-Current borrowings including current maturities (refer note no 12) | 56,70,16,183 | - | 56,70,16,183 | - |
| Current borrowings (refer note no 12) | 4,99,28,174 | - | 4,99,28,174 | - |

**28. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, Liability Component of compound financial instrument (CFI), security premium and all other equity reserves. The primary objective of the Company's capital management is that it maintains an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

| | | (Rs. in Lakhs) |
|---|---|---|
| | As at | As at |
| | March 31, 2020 | March 31, 2019 |
| Borrowings | 39,80,93,959.00 | 51,32,13,567.42 |
| Other financial liabilities | 11,23,98,024.00 | 10,37,30,790.00 |
| Trade payables | 79,96,25,390.02 | 85,84,69,409.41 |
| Less: Cash and Cash equivalents | (2,50,37,759.35) | (94,07,388.54) |
| Less: Other bank balances | (71,91,677.89) | (39,861.59) |
| Net Debt | 1,27,78,87,935.78 | 1,46,59,66,516.70 |

| | | |
|---|---|---|
| Equity share capital | 6,46,10,500.00 | 6,46,10,500.00 |
| Other equity | 2,31,82,054.64 | 2,14,15,123.36 |
| Total Equity | **8,77,92,554.64** | **8,60,25,623.36** |
| | | |
| Total Capital and net debt | **1,36,56,80,490.42** | **1,55,19,92,140.07** |
| Gearing ratio | 1456% | 1704% |

**29. Vehicle Loan:**

| S.no. | A/c description | Rate of interest | Closing balance as at31.03.2020(inRs.) |
|---|---|---|---|
| 1. | HDFC CAR LOAN MERCEDES CAR | 8.01 | 2748584 |
| 2. | HDFC CAR LOAN BMW X5 | 8.70 | 7028222 |
| 3. | HDFC CAR LOAN-TUV | 10.00 | 679260 |
| 4. | HDFC CAR LOAN-BMW X1 | 9.30 | 2785188 |
| 5. | HDFC CAR LOAN-NEW BOLERO | 8.90 | 759000 |
| 6. | HDFC BANK LOAN-XUV | 8.60 | 1218844 |
| **Total** | | | **152199098** |

**Sd/- sd/- sd/- sd/-**
**(AIJAZ AHMAD) (LALIT KUMAR) (ANOOP KUMAR SHRIVASTAV) (PARAMJEET SINGH)**
**CFO CS DIRECTOR MANAGING DIRECTOR**

**For Kansal Jain & Associates**
**(Formerly N J &Associates)**
**CHARTERED ACCOUNTANTS**

**Sd/-**
**(CA Shri Krishan Kansal)**
**Partner**
**Membership No. 080632**
**FRN 023083N**

**Place: Chandigarh**
**Date: 30.07.2020**