

22nd Annual Report

2020 - 21

**PREVEST DENPRO LIMITED**

# **PREVEST DENPRO LIMITED**

## **22nd Annual General Meeting**

Date: 20<sup>th</sup> September, 2021  
Day: Monday  
Time: 01:00 PM  
Venue: EPIP Kartholi, Bari Brahmana, Samba, Jammu-181133  
CIN: U85199JK1999PLC001969

### **BOARD OF DIRECTORS**

Mr. Atul Modi	Managing Director
Mrs. Namrata Modi	Wholetime Director-cum-CFO
Mr. Sai Kalyan Surapaneni	Director
Ms. Niharika Modi	Director
Mr. Nikhil Shrikant Bobade	Independent Director
Mr. Sudeep Murthy	Independent Director

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Komal Mehra (A-45464)

### **STATUTORY AUDITORS**

M/s Mittal & Associates  
Chartered Accountants  
FRN: 106456W  
501, Empress Nucleus, Gaothan Road, Opp. Little Flower School,  
Andheri (East), Mumbai-400069.

### **REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Private Limited  
Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri – East, Mumbai  
400059 Maharashtra  
Tel: +91 – 22 -62638200  
Email Id: [jibu@bigshareonline.com](mailto:jibu@bigshareonline.com)

### **REGISTERED OFFICE**

EPIP Kartholi, Bari Brahmana, Samba,  
Jammu – 181133 (J&K)

### **BANKERS**

HDFC Bank Limited

# PREVEST DENPRO LIMITED

Registered Office: - EPIP Kartholi, Bari Brahmana, Samba, Jammu-181133

Website:-[www.prevestdenpro.com](http://www.prevestdenpro.com), Email id:-[info@prevestdenpro.com](mailto:info@prevestdenpro.com)

Telephone Number: 01923-222774

CIN : U85199JK1999PLC001969

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 22nd (Twenty Second) Annual General Meeting ('AGM' or 'the Meeting') of the Members of Prevest Denpro Limited ("the Company") will be held on Monday, September 20, 2021 at 01.00 p.m. (IST) at the Registered Office of the Company at EPIP Kartholi, Bari Brahmana, Samba, Jammu - 181133 to transact the following businesses :

### **ORDINARY BUSINESS (ES):**

1. **To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon.**

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

**"RESOLVED THAT** the Board's Report with Annexure, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2021 and the Financial Statement as at that date together with the Independent Auditors' Report thereon be and are hereby considered, approved and adopted."

2. **To appoint M/s Mittal & Associates, as Statutory Auditors of the company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act 2013, read with Companies (Audit and Auditors) Rules, 2014, the consent of the members of the company be and is hereby accorded, to appoint **M/s Mittal & Associates**, Chartered Accountants (Firm Registration No. 106456W), Mumbai, Chartered Accountants, as the Statutory Auditors of the company "Prevest Denpro Limited" to hold office from the conclusion of this Annual General Meeting for the tenure of 5 years, till the conclusion of AGM of the company to be held in the year 2026 to audit the financials as per Companies Act, at a remuneration to be decided by the Board of Directors in consultation with the Auditors and submit the Audit Reports to the Board for aforesaid purpose."

**"RESOLVED FURTHER THAT M/s Mittal & Associates**, Chartered Accountants, Mumbai be also provide report on the financial accounts in accordance with the Companies Act (as amended) from time to time in the form and in the context in which it is being included in the Draft Prospectus/Prospectus being issued by the company."

**"RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) be and is hereby authorized to decide and finalize the terms and conditions including remuneration of the Statutory Auditor."

**3. To appoint Mrs. Namrata Modi (DIN:- 00788266) as a Wholetime Director of the Company being eligible, offers herself for re-appointment**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mrs. Namrata Modi (DIN : 00788266), Executive Director, retiring by rotation and being eligible for reappointment, has confirmed her eligibility and willingness to accept the office, be and is hereby reappointed as Executive Director of the Company.”

**SPECIAL BUSINESS (ES) :**

**4. Approval to enter Related Party Transactions**

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

“**RESOLVED THAT** pursuant to the provisions of section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any (including statutory modification(s) or re- enactment thereof for the time being in force) and subject to such other approvals-, consents, permissions and sanctions of other authorities as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to enter into contracts/ arrangements/ agreements/ transactions (including any modifications, alterations or amendments thereto) in ordinary course of business and on arm's length basis with related parties within the meaning of the Act as more particularly enumerated in explanatory statement annexed to this notice on such terms and conditions as defined in the related party contacts.”

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

For and on behalf of Board of Directors

Place : Samba  
Date : 02.09.2021

Sd/-  
**Atul Modi**  
Managing Director  
DIN : 00788272

**ANNEXURE TO THE NOTICE  
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 22<sup>nd</sup> ANNUAL GENERAL MEETING**

<b>Name</b>	Mrs. NamrataModi
<b>Director Identification Number (DIN)</b>	00788266
<b>Date of Birth</b>	05.05.1999
<b>Nationality</b>	Indian
<b>Qualifications</b>	MBA
<b>Experience/Expertise</b>	<ul style="list-style-type: none"> <li>• Coordinate the organization's financial activities to ensure all operations are efficient, profitable, and properly funded.</li> <li>• Create and implement policies to increase productivity, maximize profit and cut overhead costs.</li> <li>• Define organizational and department problems and create and implement plans to correct problems and make a more efficient company.</li> <li>• Develop new marketing strategies to quickly capitalize on trends and social media.</li> <li>• Implemented new quality assurance initiatives to increase product reliability and customer satisfaction.</li> </ul>
<b>Date of appointment on Board</b>	05.05.1999
<b>Terms and conditions of appointment/re-appointment</b>	Re-appointed as Wholetime Director
<b>List of Directorship in other Indian Companies</b>	Nil
<b>Details of Committee Membership held in other Indian Companies</b>	Nil
<b>Shares held</b>	43,24,920 Equity Shares
<b>Relationship between Director inter se and other key managerial personnel of the company</b>	(Husband)- Mr. AtulModi, Managing Director  (Daughter)- Mrs. NiharikaModi, Director
<b>Number of Board Meetings attended during the year</b>	19

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## EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013)

The following statement sets out all material facts relating and the special businesses mentioned in the accompanying Notice:

### Item No. 4

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with the related parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 govern the Related Party Transactions for entering into any contract, transactions or arrangement with the related party(ies), the Company obtain the approval of Shareholders by way of a Resolution as prescribed in Rule 15 of the Companies (Meeting of Board and its Power) Rules, 2014.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013). The particulars of the transaction pursuant to the provisions of Section 188 and Rules made thereunder, are as under :

Sr. No.	Name of Related Party	Nature of Relationship	Estimated Amount	Nature of Transactions
1.	NV International	Partnership Firm of Mr. Atul Modi and Mrs. Niharika Modi	Rs. 3,00,00,000/- p.a. (Rupees Three Crore)	Purchase/Sale of Goods
2.	Dentstal India	Partnership Firm of Mr. Atul Modi and Mrs. Namrata Modi	Rs. 3,00,00,000/- p.a. (Rupees Three Crore)	Purchase/Sale of Goods

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188 of the Companies Act, 2013 that govern the related party's transactions. Their present roles are crucial to provide impetus to the expanding national Business in the emerging market business of the Company. They are focusing on tapping the potential markets. Considering their qualification, experience and present role prescribed limit of Companies Act is not commensurate, hence requires approval of the shareholders.

This resolution is recommended for your approval as a Special Resolution.

None of the directors or KMPs except Mr. Atul Modi, Mrs. Namrata Modi and Mrs. Niharika Modi is interested or concerned financially or otherwise in the resolution set out in Item no. 4.

For and on behalf of Board of Directors

Place : Samba  
Date : 02.09.2021

Sd/-  
**Atul Modi**  
Managing Director  
DIN : 00788272

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## **BOARD'S REPORT**

To  
The Members  
**Prevest Denpro Limited**

Your Directors have the pleasure of presenting their Twenty Second (22<sup>nd</sup>) Annual Report together with the Audited Financial Statements for the year ended March 31, 2021.

## **FINANCIAL RESULTS**

In compliance with the provisions of the Companies Act, 2013 ('Act'), the Company has prepared its standalone financial statements for the FY 2020-21. The highlights of the standalone financial results of the Company for the FY 2020 - 21 and FY 2019 - 20 are as under :

<b>Particulars</b>	<b>For the year ended on 31.03.2021</b>	<b>For the year ended on 31.03.2020</b>
Revenue from Operations	28,47,60,246	23,65,33,258
Other Income	1,03,74,466	68,55,368
<b>Total Income</b>	<b>29,51,34,712</b>	<b>24,33,88,625</b>
Depreciation and Amortization Expenses	47,18,968	54,74,917
Other Expenses	19,70,63,353	17,65,20,943
<b>Total Expenses</b>	<b>20,17,82,321</b>	<b>18,19,95,860</b>
Current Tax	1,89,54,505	1,02,47,680
Deferred Tax	23,31,168	(10,470)
<b>Profit after Tax</b>	<b>7,20,66,718</b>	<b>5,11,55,555</b>
<b>Earnings per Share (equated)</b>	<b>8.16</b>	<b>5.79</b>

## **PERFORMANCE**

On a Standalone Basis, your Company's total income for FY 2020-2021 was Rs. 29,51,34,712 as compared to Rs. 24,33,88,625 in FY 2019-20. Profit before tax was Rs. 9,33,52,391 as compared to Rs. 6,13,92,766 in the last year. Profit after tax was Rs. 7,20,66,718 as compared to Rs. 5,11,55,555 during the last year.

The company will definitely provide better results to the shareholders in upcoming year via better performance.

## **DIVIDEND**

Keeping in view the future prospects and more need of the funds for the business of the company, board does not recommend dividend for the year under review.



## GENERAL RESERVE

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2021.

## SHARE CAPITAL

For the financial year ended March 31, 2021, the Authorised Share Capital of the Company is Rs. 12,50,00,000 (Rupees Twelve Crore Fifty Lakhs) consisting of 1,25,00,000 (One Crore Twenty Five Lakhs) equity shares of Rs. 10/- each.

### Changes in Capital Structure of the Company during the year

S. No.	Particulars of Increase	Date of Meeting	Whether AGM / EGM
<b>Changes in Authorised Equity Share Capital</b>			
1.	Sub-division of Face value of Equity Shares of the Company from Rs. 100/- per Equity Share to Rs. 10/- per Equity Share.	October 26, 2020	AGM
2.	Increase in the Authorized share Capital of the Company from Rs. 100.00 Lakhs divided into 10,00,000 Equity Shares of Rs. 10/- each to Rs. 1250.00 Lakhs divided into 1,25,00,000 Equity Shares of Rs. 10/- each.	October 26, 2020	AGM

## DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet as per Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### • INDUCTIONS, RE-APPOINTMENT, RETIREMENT & RESIGNATION

S. No.	Name of Director	Nature of Change	Date of Change	Date of Meeting	Whether Board Meeting/Members' Meeting	DIN Associated
1.	Mrs. Vimla Modi	Resignation	27/10/2020	27/10/2020	Board Meeting	00788256
2.	Mrs. Niharika Modi	Appointment as Additional Director	10/12/2020	10/12/2020	Board Meeting	07818057
3.	Mr. Sai Kalyan Surapaneni	Resignation	10/12/2020	10/12/2020	Board Meeting	07330470
4.	Mr. Sai Kalyan Surapaneni	Appointment as Additional Director	21/12/2020	21/12/2020	Board Meeting	07330470
5.	Mrs. Namrata Modi	Change in Designation to Whole-time director	21/12/2020	21/12/2020	Board Meeting	00788266
6.	Mrs. Niharika Modi	Change in Designation to Director	30/12/2020	30/12/2020	EGM	07818057
7.	Mr. Sai Kalyan	Change in	30/12/2020	30/12/2020	EGM	07330470

	Surapaneni	Designation to Director				
8.	Mrs. Namrata Modi	Appointment as CFO	15/01/2021	15/01/2021	Board Meeting	00788266
9.	Ms. Komal Mehra	Appointment as CS	01/02/2021	01/02/2021	Board Meeting	-
10.	Mr. Atul Modi	Re-appointment as Managing Director	05/10/2020	25/09/2020	EGM	00788272
11.	Mr. Sudeep Murthy	Appointment as Independent Director	17/03/2021	17/03/2021	Board Meeting	09109498
12.	Mr. Nikhil Shrikant Bobade	Appointment as Independent Director	17/03/2021	17/03/2021	Board Meeting	09105095

- **INDEPENDENT DIRECTORS**

All the independent directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Act. The independent directors have also confirmed that they have complied with the company's code of conduct for directors and senior management personnel.

In the opinion of the board, all the independent directors possess strong sense of integrity and having requisite experience, qualification and expertise.

- **POLICY ON NOMINATION, REMUNERATION AND BOARD DIVERSITY**

The company believes that building a diverse and inclusive culture is integral to its success. A diverse board, among others, will enhance the quality of decisions by utilising different skills, qualifications, professional experience and knowledge of the board members necessary for achieving sustainable and balanced development. In terms of SEBI listing regulations and act, the company has in place nomination & remuneration policy. The said policy of the company, inter alia, provides that the nomination and remuneration committee shall formulate the criteria for appointment of executive, non-executive and independent directors on the board of directors of the company and persons in the senior management of the company, their remuneration including determination of qualifications, positive attributes, independence of directors and other matters as provided under sub section (3) of section 178 of the act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). The policy also lays down broad guidelines for evaluation of performance of board as a whole, committees of the board, individual directors including the chairperson and the independent directors. The policy encourages the appointment of women at senior executive levels and thereby promoting diversity. The policy is designed to attract, recruit, retain and motivate best available talent.

## **BOARD MEETINGS AND ATTENDANCE**

During the Financial year 2020-21, Nineteen (19) Board Meetings were held. These were held on April 30, 2020; June 20, 2020; July 03 2020; July 20 2020; September 01, 2020; September 29, 2020; October 26, 2020; October 27, 2020; November 04 2020; December 10, 2020; December 21, 2020; December 30, 2020; January 11, 2021; January 15, 2021; February 01, 2021; February 09 2021; February 16 2021; March 17, 2021 and March 22, 2021.

The interval between any two meetings was well within the maximum allowed gap of 120 days.

The composition of the board of the directors and the details of the meetings attended by the members during the year are given below:-

<b>Name of the director</b>	<b>Category</b>	<b>No. of board meeting held &amp; entitled to attend.</b>	<b>No. of board meetings attended</b>
Mr. Atul Modi	Managing Director	19	19
Mrs. Namrata Modi	Wholetime Director-cum-CFO	19	19
Mr. Sai Kalyan Surapaneni	Director	18	17
Mrs. Niharika Modi	Director	9	9
Mr. Nikhil Shrikant Bobade	Independent Director	1	1
Mr. Sudeep Murthy	Independent Director	1	1

During the Financial year 2020-21, Four General Meetings were held during the year i.e. September 25, 2020 (EGM); October 26, 2020 (AGM) ; December 30, 2020 (EGM) and January 20, 2021 (EGM).

## **BOARD COMMITTEES**

In compliance with the statutory requirements, the Board has constituted various Committees with specific terms of reference and scope. The objectives to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter / terms of reference. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

- **AUDIT COMMITTEE**

### **Brief description of terms of reference**

The terms of reference of the Audit Committee and its role & powers as specified in section 177 of the act and regulation 18 of SEBI listing regulations, as amended from time to time, inter alia, includes the following :-

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
- matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions;
- modified opinion(s) in the draft audit report;

- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- Discussing with the 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;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 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;
- The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower/Vigil mechanism;
- Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
- Audit committee shall oversee the vigil mechanism.
- Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following :

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### **Composition of the Audit Committee**

The Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated March 22, 2021 as per the applicable provisions of the Section 177 of the Companies Act, 2013. The constituted Audit Committee comprises following members :

<b>S. No.</b>	<b>Name of the Director</b>	<b>Status in committee nature</b>	<b>Nature of directorship</b>
1.	Dr. Nikhil Shrikant Bobade	Chairman	Independent Director
2.	Dr. Sudeep Murthy	Member	Independent Director
3.	Mrs. Namrata Modi	Member	Whole Time Director & CFO

### **• NOMINATION AND REMUNERATION COMMITTEE**

#### **Brief description of terms of reference**

Terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following :

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director’s performance.
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company’s policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

### **Composition of the Nomination and Remuneration Committee**

The company has formed the Nomination and Remuneration Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated March 22, 2021. The Nomination and Remuneration Committee comprise the following :

S. No.	Name of the director	Status in committee nature	Nature of directorship
1.	Dr. Nikhil Shrikant Bobade	Chairman	Independent Director
2.	Dr. Sudeep Murthy	Member	Independent Director
3.	Mrs. Niharika Modi	Member	Non-Executive Director

## • STAKEHOLDERS RELATIONSHIP COMMITTEE

### Brief description of terms of reference

Terms of reference of the Stakeholders Relationship Committee, inter alia, includes the following:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
- Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.”

### Composition of the Stakeholders Relationship Committee

The company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated March 22, 2021. The constituted Stakeholders Relationship Committee comprises the following :

S. No.	Name of the director	Status in committee nature	Nature of directorship
1.	Dr. Nikhil Shrikant Bobade	Chairman	Non-Executive Director
2.	Mr. Atul Modi	Member	Chairman & Managing Director
3.	Mrs. Namrata Modi	Member	Whole Time Director & CFO

## • CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Brief description of terms of reference

Terms of reference of the Corporate Social Responsibility Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- To Monitor the Corporate Social Responsibility policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

### **Composition of the Corporate Social Responsibility Committee**

The company has pursuant to the provisions of Section 135 of the Companies Act 2013 and Schedule VII constituted a Corporate Social Responsibility Committee of the Board of Directors vide Resolution dated March 22, 2021. The Corporate Social Responsibility Committee comprises the following :

<b>S. No.</b>	<b>Name of the director</b>	<b>Status in committee nature</b>	<b>Nature of directorship</b>
1.	Mr. Atul Modi	Chairman	Managing Director
2.	Dr. Nikhil Shrikant Bobade	Member	Non-Executive Independent Director
3.	Mrs. Namrata Modi	Member	Whole Time Director & CFO

### **SUBSIDIARY / ASSOCIATE & JOINT VENTURE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

During the financial year under review the company has no subsidiary/associate & Joint Venture Company and as a result no consolidated financial statements.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year, the company has not transferred any amount to Investor Education and Protection Fund (IEPF).

Further in terms section 124(6) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, the company has not transferred any number of equity shares to the Demat Account of Investor Education and Protection Fund.

### **STATUTORY AUDITORS**

**M/s Mittal & Associates**, Chartered Accountants (having Firm Registration Number : 106456W) will hold office upto the conclusion of the Annual General Meeting pertaining to the financial year ending 31st March, 2026, subject to their ratification at each Annual General Meeting

### **AUDITORS'S REPORT**

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. There are no frauds reported by the auditors under Section 143(12).

## **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the provisions of Section 135 of the Companies Act, 2013, are applicable on the company and detailed CSR report is annexed to this report as **Annexure – I**.

## **INTERNAL CONTROL / INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

The company implemented suitable controls to ensure its operational, compliance and reporting objectives. The company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

## **RISK MANAGEMENT**

The company has a duly approved risk management policy and constituted risk management policy and constituted risk management committee. The committee oversees the risk management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the committee is to assist the board of directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The company facets constant pressure from the evolving marketplace that impacts important issues in risk management and threatens profit margins. The company emphasizes on those risks that threaten the achievement of business objectives of the group over the short to medium term. Your company has adopted the mechanism for periodic assessment to identify, analyse, and mitigate the risks.

The appropriate risk identification method depends on the application area, the nature of the project, the project phase, resources available, regulatory requirements and client requirements as to objectives, desired outcome and the required level of detail.

All the senior executives have the responsibility for over viewing management's processes and which results in identifying, assessing and monitoring risk associated with organization's business operations and the implementation and maintenance of policies and control procedures to give adequate protection against key risk of the company.

Further, in carrying out the risk management processes, the senior executives of the company consider and assess the appropriateness and effectiveness of management information and other systems of internal control, encompassing review of the external auditor's report to management on internal control and action taken or proposed resulting from those reports.

The risk management and internal control systems within the organization encompass all policies, processes, practices and procedures established by management and/ or the board to provide reasonable assurance that:

- Established corporate, business strategies and objectives are achieved ;



- Risk exposure is identified and adequately monitored and managed ;
- Resources are acquired economically, adequately protected and managed efficiently and effectively in carrying out the business
- Significant financial, managerial and operating information is accurate, relevant, timely and reliable and
- There is an adequate level of compliance with policies, standards, procedures and applicable laws and regulations.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The company has a vigil mechanism and whistle blower policy under which the persons covered under the policy including directors and employees are free to report misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the company is affected. The reportable matters may be disclosed to the vigilance officer who operates under the supervision of the audit committee. Persons covered under the policy may also report to the chairman of the audit committee.

During the year under review, no employee was denied access to the chairman of the audit committee. No complaints were received under vigil mechanism & whistle blower policy during the financial year 2020-21.

## **DETAILS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186**

During the financial year under review, no transaction under section 186 was held by the company.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party contracts/arrangements/transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

The particulars of Contract or Arrangements made with related parties made pursuant to Section 188 are furnished in **Annexure - II in Form AOC - 2** and are attached to this report.

## **PARTICULARS OF EMPLOYEES**

Disclosures relating to remuneration of directors u/s 197(12) of the act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure -III**. The Remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

## **ANNUAL RETURN**

In accordance with section 134(3)(a) of the Companies Act, 2013 an extract of annual return in the prescribed format is appended to this report as **Annexure - IV** and also available on the website of the company at [www.prevestdenpro.com](http://www.prevestdenpro.com).

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are under:

Sr. No.	Particulars	Comments
<b>(A)</b>	<b>Conservation of energy</b>	
<b>(i)</b>	The steps taken or impact on conservation of energy.	Energy conservation is very important for the company and therefore, energy conservation measures are undertaken wherever practicable in its factory and attached facilities. The company is making every effort to ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment's with latest technologies. Impact on conservation of energy was that the electricity load expenses reduced.
<b>(ii)</b>	The steps taken by the company for utilizing alternate sources of energy.	Nil
<b>(iii)</b>	The capital investment on energy conservation equipment	Nil

<b>(B)</b>	<b>Technology Absorption</b>	
<b>(i)</b>	The efforts made towards technology absorption	Your company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labour intensive, we believe that mechanization of development through technological innovations is the way to address the huge demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale.
<b>(ii)</b>	The benefits derived like product improvement, cost reduction, product development or import substitution.	Nil
<b>(iii)</b>	In case of imported technology imported during the last three years reckoned from the beginning of the financial year.	
	<ul style="list-style-type: none"> <li>• The details of technology imported</li> </ul>	Nil
	<ul style="list-style-type: none"> <li>• The year of import</li> </ul>	N.A.
	<ul style="list-style-type: none"> <li>• Whether the technology has been fully absorbed</li> <li>• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof and</li> </ul>	N.A. N.A.
<b>(iv)</b>	the expenditure incurred on research and development	Nil

### (C) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo are given below :

Particulars	2020-21 (Rs. )
Foreign Exchange Earnings	15,45,23,384.00
Foreign Exchange outgo	5,25,46,866.00

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the regulators/courts/tribunals during the financial year 2020-21 which would impact the going concern status of the company and its future operations.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Act, with respect to Directors' Responsibility Statement, the Board of Directors, to the best of its knowledge and ability, confirm that :

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of companies act, 2013 and rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The directors had prepared the annual accounts on a going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has an Anti-Sexual Harassment Policy in place which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

During the year under report, your Company did not receive any case of sexual harassment and hence as on March 31, 2021, there were no pending cases of sexual harassment in your Company.

## **OTHER DISCLOSURES**

- The statutory auditors of the company has not reported incident related to fraud during the financial year to the audit committee or board of directors under section 143(12) of the act.
- The company has complied with secretarial standards issued by the Institute of Company Secretaries of India on meetings of the board of directors and general meetings.
- There has been increase in the Paid up share Capital of the Company from Rs. 28.50 Lakhs divided into 2,85,000 Equity Shares of Rs. 10/- each to Rs. 883.50 Lakhs divided into 88,35,000 Equity Shares of Rs. 10/- each by way of bonus issue in the ratio of 30:1 w.e.f. 27.04.2021.
- No change in the nature of the business of the company happened during the financial year under review.

## **ACKNOWLEDGEMENT**

Your Directors place on record their deep appreciation for the contribution made by the employees at all levels with dedication, commitment and team effort, which helped your company in achieving the performance during the year.

Your directors also acknowledge with thanks the support given by the government, bankers, members and investors at large and look forward to their continued support.

For and on behalf of Board of Directors

Place : Samba  
Date : 02.09.2021

Sd/-  
**Atul Modi**  
Managing Director  
DIN : 00788272

**FORM NO. AOC - 2**

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

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

- Details of contracts or arrangements or transactions not at Arm's length basis. **NIL**

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

- Details of contracts or arrangements or transactions at Arm's length basis.: **1**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name (s) of the related party & nature of relationship	M/s NV International, Partnership Firm of Mr. AtulModi and Mrs.NiharikaModi
2.	Nature of contracts/arrangements/transaction	Purchase and Sales
3.	Duration of the contracts/arrangements/transaction	Ongoing
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	-
5.	Date of approval by the Board	-
6.	Amount paid as advances, if any	-
7.	Value of Transaction	Purchase- Rs. 1,46,563.22 Sales- Rs. 12,26,873.00

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020 – 21 :

Sr. No.	Name of Director/KMP	Designation	% Increase in Remuneration in the FY 2020-21	Ratio of Remuneration of each Director to Median Remuneration of Employees for the FY 2020-21
1.	Mr. Atul Modi	Managing Director	(8.33)	1.60:1
2.	Mrs. Namrata Modi	Whole Time Director & CFO	(8.33)	1.60:1
3.	Mr. Sai Kalyan Surapaneni	Director	-	0.69:1
4.	Ms. Komal Mehra	Company Secretary	-	0.09:1

- The median remuneration (per annum) of employees of the Company during the financial year was Rs. 3431000/-. During the financial year, there was decrease of 42.81% in the median remuneration of employees.
- There were 5 permanent employees on the rolls of the Company as on March 31, 2021.
- Average percentage increase made in the salaries of employees and the managerial personnel in the last financial year i.e. 2020-21 was Nil.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of Board of Directors

Place : Samba  
Date : 02.09.2021

Sd/-  
**Atul Modi**  
Managing Director  
DIN : 00788272