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**PAOS INDUSTRIES LIMITED**

**Formerly Raj Agro Mills Limited**

**30th Annual Report**

**2019-2020**

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# PAOS INDUSTRIES LIMITED Annual Report 2020

## FORMERLY RAJ AGRO MILLS LIMITED

**REGISTERED OFFICE: VILLAGE PAWA, G.T. ROAD, NEAR CIVIL AIRPORT, LUDHIANA-141120 (PB)**  
**CIN: L24100PB1990PLC049032 Email: paosindustriesltd@gmail.com, rajagromills@gmail.com,**

### BOARD OF DIRECTORS:

Mr. Sanjeev Bansal	:	Managing Director
Mrs. Rama Bansal	:	Non- Executive Director
Mrs. Meenu Uppal	:	Independent Director
Mr. Puneet Singhanian	:	Independent Director

### COMPANY SECRETARY

Mrs. Ruchika Gulati

### CHIEF FINANCIAL OFFICER

Mr. Rupinder Singh

### STATUTORY AUDITORS

M/s Rajiv Rajeev & Associates;  
Chartered Accountants  
Ludhiana (Pb)

### BANKERS

HDFC Bank  
Feroze Gandhi Market, Ludhiana - (Pb.)

YES Bank Limited  
Ground Floor, SCO-28, Dugri  
Phase-I, Ludhiana (Pb)

### SHARE TRANSFER AGENT

M/s Link Intime India Private Limited  
(Formerly Intime Spectrum Registry Limited)  
Noble Heights, First Floor, Plot No.NH-2, C-1 Block,  
LSC, Near Savitri Market, Janakpuri, New Delhi-110 058  
Ph. 011-49411000, E-mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

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### NOTICE

**NOTICE** is hereby given that the **30<sup>th</sup> Annual General Meeting** of the Members of **PAOS INDUSTRIES LIMITED FORMERLY RAJ AGRO MILLS LIMITED** will be held on **Thursday, the 24<sup>th</sup> day of December, 2020 at 10.00 A.M.** at the Registered Office of the Company at **Village Pawa, G.T. Road, Near Civil Airport, Ludhiana-141 120 (Pb)** for transacting the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup>, March, 2020 together with the reports of Board of Directors and Auditors thereon.
2. To appoint Mr Sanjeev Bansal (00057485) as a Director who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESSES:

3. **To appoint auditors M/s Rakshit Khosla & Associates, Chartered Accountants (Firm Registration No.017151N) of Ludhiana in place of M/s Rajiv Rajeev & Associates, Chartered Accountants, Ludhiana (FRN:019136N) who do not wish to continue further.**

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, 140, 141, 142 and any other applicable provisions of the Companies Act, 2013 and the Rules made there-under, M/s Rakshit Khosla & Associates, Chartered Accountants (Firm Registration No.017151N) of Ludhiana, be and is hereby appointed as the Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting of the company until the conclusion of 35<sup>th</sup> Annual General Meeting of the Members of company, subject to ratification of the appointment by the members at every AGM in accordance with the provisions of the Companies Act, 2013 and the Rules made there-under and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration as may be recommended by the Audit Committee in consultation with the Auditors.

4. **Appointment/Re-appointment of Mrs Meenu Uppal (DIN 07144268) as Independent Director for further term of 5 years**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Meenu Uppal (DIN:07144268), who earlier held office of Independent Director up to 30<sup>th</sup> September, 2020 and who after expiration of her term on that date was appointed as the Additional Director of the company with effect from 1<sup>st</sup> October, 2020 by the Board of Directors of the company and had submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mrs. Meenu Uppal's candidature for the office of Director, be and is hereby appointment/re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a period/second term of five consecutive years commencing from 1<sup>st</sup> October, 2020 up-to 30<sup>th</sup> September, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

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### 5. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013:

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

**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made there-under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs.30 Crores (Rupees Thirty Crores Only) as in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company/firm/entity for its principal business activities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things as in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.

By Order of Board  
For PAOS Industries Limited  
Sd/-  
(Sanjeev Bansal)  
Managing Director  
DIN- 00057485  
662/2, Premjit Road, Gurdev  
Nagar, Ludhiana-141001

Date: 21-11-2020  
Place: Ludhiana

#### NOTES:

- (i) Special Notice in terms of section 140(4) (i) read with section 115 of the Companies Act, 2013:

A Special Notice in accordance with section 115 has been received in terms of section 140(4)(i) of the Companies Act, 2013 from a member proposing the appointment of M/s Rakshit Kholsa & Associates, Chartered Accountants (FRN 017151N), Ludhiana as a Auditors of the company in place of M/s Rajiv Rajeev & Associates, Chartered Accountants (FRN 019136N) who have informed the Company that they do not wish to continue as statutory auditors of the company with effect from the close of this Annual General Meeting of the Company scheduled on 24-12-2020.

- (ii) A member entitled to attend and vote at the annual general meeting (the "MEETING") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting. The blank proxy form is enclosed.
- (iii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (iv) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (v) 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 their PAN to their Depository Participants with whom they are maintaining their

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demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Link Intime India Pvt. Ltd.

- (vi) The register of members and the share transfer book of the company will remain closed from Friday, the 18<sup>th</sup> December, 2020 to Thursday, 24<sup>th</sup> December, 2020 (both days inclusive).
- (vii) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [https://www.paosindustries.in/p/blog-page\\_7.html](https://www.paosindustries.in/p/blog-page_7.html) and website of the Stock Exchange, i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- (viii) Members are requested to bring their copies of Annual Reports along with them, as copies of the report will not be distributed at the meeting.
- (ix) Members/proxies are requested to bring their attendance slips sent herewith duly filled in for attending the meeting.
- (x) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- (xi) COVID note and Precautions while holding AGM

All the members who wishes to attend the AGM are requested to wear mask throughout the continuance of the meeting. Temperature of all the attendees shall be checked at the entrance of the venue of the meeting and anyone found having fever shall not be allowed to attend. Any shareholder having symptom of infection of COVID19 are requested not to attend the meeting.

- (xii) M/s Rajeev Bhambri & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
- (xiii) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer's report shall be placed on website of CDSL and will be communicated to the stock exchanges.
- (xiv) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means.
- (xv) The Members whose name appears in the Register of Members of the Company as on **17<sup>th</sup> December, 2020** may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting shall commence on **21<sup>st</sup> December, 2020 at 09:00 AM and ends on 23<sup>rd</sup> December, 2020 at 05:00 PM**. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter.

### The instructions for shareholders voting electronically are as under:

- (i) The voting period **begins** on **21-12-2020 at 9.00 a.m.** and **ends** on **23-12-2020 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **17-12-2020** 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 venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

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- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
c. Members 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 - Myeasi](#) using 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](http://www.evotingindia.com) and voted on an earlier 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Client ID / Folio No. in the PAN Field.</li> <li>In case the Client ID / Folio No. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio No. 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.  
(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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 Shareholders 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 for the relevant <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.  
(xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

(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](http://www.evotingindia.com) and register themselves in the "Corporate" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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: [paosindustriesltd@gmail.com](mailto:paosindustriesltd@gmail.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- (xxi) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 Futrex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses set out in the accompanying Notice;

**ITEM NO.3: APPOINTMENT OF AUDITORS M/S RAKSHIT KHOSLA & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO.017151N) OF LUDHIANA IN PLACE OF M/S RAJIV RAJEEV & ASSOCIATES, CHARTERED ACCOUNTANTS, LUDHIANA (FRN:019136N) WHO DO NOT WISH TO CONTINUE FURTHER**

M/s Rajiv Rajeev & Associates, Chartered Accountants, Ludhiana (FRN:019136N), existing statutory auditors of the company were appointed as Auditors of the company by the Members in their 27th Annual General Meeting to hold office from the conclusion of 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting. However, the said Auditors by their letter dated 21<sup>st</sup> November, 2020 have informed the Company that they do not wish to continue as Auditors of the company with effect from the conclusion of the ensuing Annual General Meeting of the Company to be held on 24-12-2020. Accordingly, the ratification of their appointment at the ensuing Annual General Meeting cannot be considered by the Members.

At the Meeting of the Board of Directors held on 21st November, 2020, the Board of Directors has recommended the appointment of M/s Rakshit Khosla & Associates, Chartered Accountants (FRN.017151N), Ludhiana as Statutory Auditors of the Company to hold office from the conclusion of 30th Annual General Meeting until the conclusion of 35th Annual General Meeting of company on remuneration as may be fixed by the Board of Directors subject to the approval of Members.

None of the Directors or Key Managerial Personnel of the company or their relatives is concerned and interested in the foregoing Resolution.

Your Director recommends the Ordinary Resolution set forth in Item No.3 for your kind consideration and approval.

**ITEM NO.4: RE-APPOINTMENT OF MRS MEENU UPPAL AS INDEPENDENT DIRECTOR FOR FURTHER PERIOD OF 5 YEARS**

Mrs Meenu Uppal was appointed as Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Members at the 25th Annual General Meeting held on 30th September, 2015 to hold office for a period of five year ("first term" as per the explanation to Section 149(10) and 149(11) of the Act). As such the term of Mrs. Meenu Uppal as an Independent Director of the company had expired on 30-09-2020 and she ceased to be independent director due to retirement on account of termination of her term with effect from that date. However, the Board of Directors of the company on the recommendation of Audit Committee and Nomination & Remuneration Committee in its Board Meeting held on 23<sup>rd</sup> October, 2020 has appointed Mrs. Meenu Uppal as Additional Director of the company with effect from 1<sup>st</sup> October, 2020 and also proposed her appointment as Independent Director of the Company for a further period of five years.

Moreover, the Nomination & Remuneration Committee also at its Meeting held on 23-10-2020 after taking into account the performance evaluation of Mrs Meenu Uppal as Independent Director during her first term of five years and considering the knowledge, acumen, expertise and experience in the respective field and the substantial contributions made by her during her first tenure as an Independent Director, has recommended to the Board that continued association of her as an Independent Director would be in the interest of the Company.

Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of Mrs Meenu Uppal as an Independent Director on the Board of the Company, to hold office for the further period of five years which may also be considered as second term of five consecutive years commencing from 1st October, 2020 and lasting up-to 30th September, 2025 however she shall not be liable to retire by rotation. As this term of appointment may be considered as second term as such the Special Resolution for appointment/re-appointment of Mrs Meenu Uppal as Independent Director is proposed.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mrs. Meenu Uppal to the office of Independent Director.

### **MEMORANDUM OF INTEREST**

None of the Directors or Key Managerial Personnel of the company or their relatives is concerned and interested in the Special Resolution appointing Mrs. Meenu Uppal as an Independent Director of the company.

Your Director recommends the Special Resolution set forth in Item No.4 for your kind consideration and approval.

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Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings):

Name of the Director	:	Mrs. Meenu Uppal
Date of Birth	:	21.11.1981
Nationality	:	Indian
Date of Earlier Appointment on Board	:	31.03.2015
Date of Earlier Appointment as Independent Director	:	30.09.2015
DIN	:	07144268
Qualification	:	M.Com
Experience	:	She is working professional and having experience in field of accountancy
No. of Shares Held in the Company	:	Nil
Chairperson/Membership of other Board Committees as on 31-03-2020	:	Chairperson - Audit Committee Chairperson -Nomination &Remuneration Committee Chairperson - Stakeholder Relationship cum Investor Grievance Re-dressal Committee
Directorship/Interest in other companies/concerns as on 31-03-2020	:	None
Relationship with other Directors/KMPs	:	None
Number of Board Meetings attended during FY 2020	:	4

### **ITEM NO.5: APPROVAL OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013:**

The Company is expected to render support for the business requirements of its Joint Venture firm namely PAOS Productions, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the said Joint Venture. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of the entities in its Group.

Hence, in order to enable the company to advance loan to and/or provide guarantee or security against loan taken by the Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors recommend for the kind consideration and approval of the members the Special Resolution stated at Item No.5 of the Notice.

### **MEMORANDUM OF INTEREST**

None of the Directors or Key Managerial Personnel of the company or their relatives is concerned and interested in the foregoing Resolution.

Date: 21-11-2020  
Place: Ludhiana

By Order of Board  
For PAOS Industries Limited  
Formerly Raj Agro Mills Limited  
Sd/-  
(Sanjeev Bansal)  
Managing Director  
DIN- 00057485  
662/2, Premjit Road, Gurdev  
Nagar, Ludhiana-141001

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### DIRECTORS' REPORT TO THE MEMBERS

#### Dear Members,

Your Directors have the pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with the Audited Accounts (Standalone and Consolidated) for the financial year ended 31<sup>st</sup> March, 2020.

#### **FINANCIAL RESULTS**

The financial figures for the year under review are given below:

PARTICULARS	CURRENT YEAR 2019-2020	(Rs. In Lakhs) PREVIOUS YEAR 2018-2019
Revenue from operations	--	--
Other income	0.53	25.22
Profit/(Loss) before Interest, Depreciation and Tax	(14.89)	(7.27)
Less : Interest & Bank charges	(24.50)	(22.27)
Profit/(Loss)	(39.39)	(29.54)
Depreciation	--	--
Profit/(Loss) before Tax	(39.39)	(29.54)
Provision for Current Tax	0.00	0.00
Provision for Deferred Tax	-37.77	-3.92
Profit/(Loss) after Tax	(1.62)	(25.62)
Transfer to General Reserve	(1.62)	(25.62)
Other Comprehensive Income for the period	--	--
<b>Basic- Earning per equity share of Rs.10/-</b>	<b>(0.03)</b>	<b>(0.50)</b>

The company has not carried on any business activity during the year under review.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial statements have been prepared as per the Ind-AS whereby the preferential share capital has been classified into debt liability and to find out the present value the nominal value of these preference shares has been discounted @10% being rate of dividend payable on these shares. The dividend/interest accrued there-upon for the relevant financial year has been included and booked as "finance cost" however during the year under review, the amortization of Deferred Revenue through the Statement of Profit & Loss Account has been discontinued in order to stop booking notional "Other Income". As a result of which, the loss after tax for the FY 2020 stands at Rs.1.62 lakhs as compared to Rs.25.61 lakhs in FY 2019.

#### **INFORMATION ON STATE OF COMPANY'S AFFAIR**

The company has not carried any commercial activity during the year under review. It has no labour force but employed only administrative personnel.

#### **FUTURE PROSPECTS**

The company has entered into joint venture by becoming a Partner in a Partnership Firm namely "PAOS Productions". The said firm intends to enter into new project of Laundry Soap, Toilet Soap and detergents powder formulations without manufacturing of LABSA facility. However, the said Joint Venture could not start its production during the year under review. Hence, all the expenses incurred on the project during the financial year 2019-2020 and 2018-2019 were capitalized and accordingly the company's share of Loss from the Joint Venture firm in FY 2018-2019 has been re-casted and a corresponding entry has been passed in company books during the year under review to nullify the effect of expenses claimed in the previous year by the Joint Venture Firm. The said Joint venture has started its commercial production and sales in the ongoing Financial Year 2020-2021.

#### **DIVIDEND**

Your Directors express their inability to recommend any dividend for the year.

#### **DEPOSITS**

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of the Companies Act, 2013 and the rules made there-under however the company has received and accepted money/loan only from its Managing Director namely Mr. Sanjeev Bansal which does not fall within the definition of deposits in terms of Rule 2(1)(c) of the Companies (Acceptance of Deposits), Rule, 2014, as amended. The amount of said money/loan stands at Rs.12,42,26,641/- as on 31.03.2020. These borrowings from directors are interest free and presently the exact date of their repayment is not certain because the company is not carrying on any commercial or business activity and does not have any