

# **26<sup>th</sup> Annual Report 2018-2019**



**Piccadily Sugar & Allied Industries Limited**

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**Board of Directors**

Sh.Devinder Sharma, Whole time Director & Chairman	03264719
Sh.Harvinder Singh Chopra, Director	00129891
Sh.Raju Sharma, Director	03022229
Sh.Jai Parkash Kaushik, Director	02354480
Ms. Madhu Sharma, Director	07149078

**DIN No .****Auditors**

M/s Aggarwal Sahil & Associates  
H.No.3026, 2<sup>nd</sup> Floor,  
Sector-27-D, Chandigarh.

**Company Secretary**

Ms. Charu Aggarwal

**Chief Financial Officer**

Sh. Sunil Kumar

**CIN No.:L015424PB1993PLC013137**

**Registered Office**

Jakhal Road, Patran, Distt. Patiala, Punjab-147001

**Registrar & Share Transfer Agent**

Abhipra Capital Ltd.  
Ground Floor, Abhipra Complex Dilkush Industrial Area,  
A-387, GT Karnal Road, Azadpur, Delhi-110033

**Plant Locations**

- i) Piccadily Sugar & Allied Industries Limited  
Jakhal Road, Patran , Distt. Patiala, Punjab-147001
- ii) Piccadily Sugar & Allied Industries Limited  
Plot no 358, Sector 3, IMT, Phase II, Bawal , Rewari Haryana-122050

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**NOTICE**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of Piccadilly Sugar & Allied Industries Limited will be held on Monday, 30th September 2019 at 11.00 AM at its registered office. i.e. Jakhal Road, Patran , Distt. Patiala, Punjab to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt, the audited Financial Statements of the company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Ms. Madhu Sharma (DIN no :07149078) , who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment.

**SPECIAL BUSINESS:**

3. 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, 150 and 152 and other applicable provisions, if any, of the Companies Act 2013, (the Act) and the rules made there under, read with Schedule IV of the said Act and regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) including any statutory modification(s) or re-enactment thereof for the time being in force, Sh. Jai Parkash Kaushik (Din no .02354480) Independent Director of the company , who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing regulations , and who is eligible for reappointment and in respect of whom based on his evaluation of performance , the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an independent Director of the company to hold office for a second term of 5 (five) consecutive years, commencing from 30th September 2019 to 29th September 2024 not liable to retire by rotation."

4. 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, 150 and 152 and other applicable provisions, if any, of the Companies Act 2013, (the Act) and the rules made there under, read with Schedule IV of the said Act and regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) including any statutory modification(s) or re-enactment thereof for the time being in force, Sh. Harvinder Singh Chopra (Din no .00129891) Independent Director of the company , who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing regulations , and who is eligible for reappointment and in respect of whom based on his evaluation of performance , the Nomination and Remuneration Committee has recommended his re-appointment to the Board, be and is hereby re-appointed as an independent Director of the company to hold office for a second term of 5 (five) consecutive years, commencing from 30th September 2019 to 29th September 2024 not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Sh. Devinder Sharma (DIN: 03264719) be and is hereby reappointed as Whole-time Director of the Company, for a period of one (1) year with effect from August 2, 2019 as per terms & conditions set out in explanatory statement annexed to the notice convening this meeting with liberty to the Directors to alter and vary the terms & conditions of the said appointment in such a manner as may be agreed between the Directors and Sh. Devinder Sharma, Whole-time Director

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution. "

Dated: 29/05/2019  
Place: New Delhi

By Order of the Board of Directors  
Sd/- Devinder Sharma  
Wholetime Director & Chairman  
(Din No :03264719)

**Notes:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy so appointed need not be a member of the company. The instrument appointing Proxy should however be deposited at the Registered office of the company not less than 48 hours before the time and date fixed for the meeting.  
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 a proxy and such person shall not act as a Proxy for any other member.  
A proxy form is attached to the Annual Report
2. The company has already notified closure of Register of members and Share Transfer Books from Friday, 20th September to Monday, 30th September 2019 (both days inclusive) for purpose of Annual General Meeting.
3. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining demat accounts. Members holding shares in physical form are requested to advise any change of address to the Company/Registrar and Share Transfer Agent.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their attendance slip along with their copy of Annual report at the meeting.
6. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc from the company electronically.
7. Members desiring of any information as regards to accounts are requested to write to the company at least Ten days in advance to enable the management to keep the information ready
8. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.
9. The relevant Explanatory Statement pursuant to section 102 of the Companies Act 2013 in respect of Special Business in the notice annexed hereto.
10. Additional information required to be furnished in respect of director seeking appointment/reappointment:

Name of Director	Ms. Madhu Sharma
Director identification number	DIN: 07149078
Date of Birth	22/03/1975
Date of Appointment	31/03/2015
Qualification	Graduate
Expertise in specific functional area	Well experienced and possess expertise in administration , business, & entrepreneurship qualities
Shareholding in Piccadilly Sugar & Allied Industries Ltd	Nil
Directorship in other companies	Piccadilly Agro Industries Limited
Committee position held in other companies	Nil
Disclosure of Inter -Se Relationship between Directors and KMP	NIL
Total Experience	More than 24 years
Number of shares held	Nil
No of Board meetings attended	5

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolution except Ms. Madhu Sharma & Sh. Devinder Sharma

12. During the e voting period, members of the company holding shares either in physical form or dematerialised form as on cut-off-date i.e. 21st September 2019 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the company as on the cut of date.

### 13. E-voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 & regulation 44 of the SEBI (Listing Obligations and Disclosure requirement) Regulation 2015. The Company is pleased to provide its members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) on the items mentioned in the notice by electronic means through e-voting Services provided by Central Depository Services Ltd (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26/9/2019 (9.00 A.M) and ends on 28/9/2019 (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 (record date) i.e. 21/9/2019 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).
- (iv) Click on Shareholders.
- (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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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 sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E. g. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth(DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat ac count or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>
(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 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

- (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 on or after 30th June 2016. 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 Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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@cdsindia.com](mailto:helpdesk.evoting@cdsindia.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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdsindia.com](mailto:helpdesk.evoting@cdsindia.com) toll free no: 1800-222-9900

A. A person, whose name is recorded in the register of members or in the register beneficial owners maintained by the Depositories as on the cut of date only shall be entitled to avail the facility of remote e-voting / voting at the AGM through ballot paper.

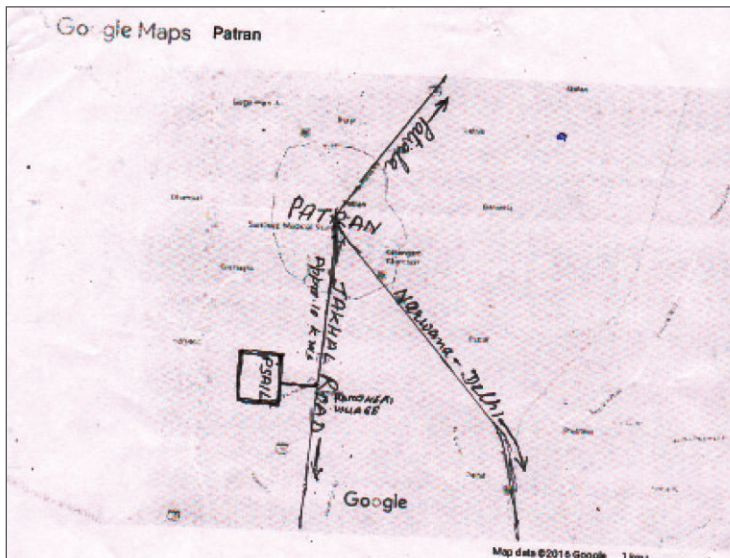
B. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

C. The Scrutinizer shall after the conclusion of voting the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall may , not later than 3 days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same & declare the result of the voting forthwith .

D. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.psailpatran.com](http://www.psailpatran.com) and on the website of CDSL immediately after the declaration of result by the chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchange.

During the e-voting period, members of the company holding shares either in physical form or dematerialised form as on the cut of date i.e. 21/9/2019 may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the company as on cut off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules 2014, cut off date means a date not earlier than 7 days before the date of meeting.

14. Road Map for the Venue of 26th Annual General meeting is also provided in the report to assist the members for attending the meeting.



By Order of the Board of Directors

Sd/- Devinder Sharma  
Wholetime Director  
(Din No: 03264719)

**EXPLANATORY STATEMENT****Explanatory Statement for resolutions mentioned under item no 3 to 5 pursuant to section 102 of the Companies Act 2013 (hereinafter referred to as the "Act")****Item no 3 & 4**

As per Section 149(10) of the Companies Act, 2013, an independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board of a company but shall be eligible for reappointment on passing a special resolution by the company for another term of up to 5 (five) consecutive years on the Board of the company.

The Members of the company had at the 21st Annual General Meeting held on 30th September 2014 approved the appointment of following Independent Directors for a period of 5 years commencing from 30th September 2014 to 29th September 2019.

-Sh. Harvinder Singh Chopra

-Sh. Jai Parkash Kaushik

Based on their performance evaluation and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013, Sh. Jai Parkash Kaushik (Din no. 02354480) & Sh. Harvinder Singh Chopra (Din no 00129891) are eligible for appointment as Independent Directors and had offered themselves for reappointment. The Board of Directors recommends the proposal to re-appoint them as Independent Directors for a term as mentioned in the respective resolutions.

The company has received notice under Section 160 of the Companies Act 2013, from Sh. Jai Parkash Kaushik (Din no. 02354480) & Sh. Harvinder Singh Chopra (Din no 00129891) signifying their candidature as an Independent Director of the company & has also received a declaration of independence from them.

In the opinion of the Board, Independent Directors fulfils the conditions specified under the Companies Act 2013, the Companies (Appointment and Qualifications of Directors) Rules 2014 and Regulation 16(1)(b) of the Listing Regulations for reappointment as an Independent Director of the company and are independent of the management. A copy of the draft letter of Appointment for Independent Directors is available for inspection at the registered office of the company during the business hours on any working day. The Board considers that association of the Independent Directors would be of immense benefit to the company considering their expertise and experience and it is desirable to avail services of these independent Directors.

**PROFILE OF DIRECTORS.**

Sh. Harvinder Singh Chopra (Din No 00129891) is a qualified Chartered Accountant and is having more than 34 years experience in Finance, Accounts, Project implementation, administration etc. Directorship in other Companies

1. Piccadily Agro Industries Limited
2. Victor textile Ltd.
3. Mark Buildtech Private Limited
4. Orient Craft Infrastructure Limited
5. Juhu Hotel Private Limited
6. Soon-N-Sure Holdings Ltd

**Committee memberships**

Piccadily Sugar & Allied industries Limited: Audit committee, Nomination Remuneration Committee ,Stakeholder relationship Committee, & Corporate Social responsibility committee

Piccadily Agro Industries Limited: Audit Committee, Stake holder's relationship committee & Corporate Social responsibility committee

Sh. Jai Parkash Kaushik is a retired Indian Administrative Services (IAS) officer and is having more than 40 years experience in project implementation , administration etc. During his tenure as IAS officer he was looking after affairs of the many cooperative sugar mills i.e. Meham, Kaithal & Shahabad in the State of Haryana. His last assignment was as Registrar Cooperative Societies Haryana & chairman Group D selection Committee of Haryana.

Directorship in other Companies. Piccadily Agro industries Limited

Committee memberships

Piccadily Sugar & Allied industries Limited: Audit committee, Nomination & Remuneration Committee , & Corporate Social responsibility committee

Piccadily Agro Industries Limited: Nomination & Remuneration Committee & Stake holders relationship committee.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.3 & 4 of the Notice. This explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under regulation 36(3) of the Listing regulations and Secretarial Standard on General meetings (SS-2) of ICSI.

**ITEM No 5**

Sh. Devinder Sharma ( Din No .03264719) is a graduate in Arts is having more than 30 years experience and has been associated with Hotel, textile & engineering industry . He has got rich experience in project implementation, marketing & sales, administration etc.

He has been managing the affairs of the company for the last eight years with strong dedication and devotion.

The Board of Directors of the Company in its meeting held on 29th May 2019 has, subject to the approval of members, re-appointed Sh. Devinder Sharma ( Din No .03264719) as Whole time Director, for a period of one (1) year w.e.f. 2nd August 2019 at the remuneration recommended by the Nomination & Remuneration Committee of the Board and approved by the Board, within the limit specified in Schedule V, Part II, Section II(A) of the Companies Act, 2013.

Terms of remuneration of Sh. Devinder Sharma (Din No .03264719) are as follows:  
Period: 2nd August 2019 to 1st August 2020

Nature of Duties: The Whole-time Director carry on the business of the company and carry on such duties as may be entrusted to him by the Board of Directors of the company from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control & directions of the board in connection with and in the best interests of the business of the company.

**1) A. Remuneration**

- a) Salary Rs 50,000 (Rs fifty Thousand only) per month including all perquisites & allowances.
- b) Benefits, perquisites and allowances as will be determined by the Board from time to time. Reimbursement of expenses incurred on travelling, telephone expenses shall not be considered as perquisite.

**B). Minimum remuneration**

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of whole time Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, benefits and perquisites, performance incentive as approved by the Board of Directors as per provisions of Companies Act 2013 & rules framed there under.

- 2)** (i) The Whole time Director shall not become interested or otherwise concerned through his spouse and/children or any selling agency of the company.

(ii) The appointment may be terminated by either party by giving to other party one month notice for such termination or the company paying two months remuneration in lieu thereof.

The Board recommends this resolution as a Special Resolution for the approval of the members in terms of Resolution set out in Item No. 5 of the Notice. None of the Directors or Key Managerial Person of the Company or their relatives is interested in the resolution except Sh. Devinder Sharma

By Order of the Board of Directors

Dated: 29/05/2019

Place: New Delhi

Sd/- Devinder Sharma  
Wholetime Director.  
Din no;03264719



## **DIRECTOR'S REPORT**

Dear Share holders,

Your Directors have the pleasure in presenting their 26<sup>th</sup> Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2019

### **1. Financial Results :**

**(Rs. In lacs)**

<b>Particulars</b>	<b>31<sup>st</sup> March 19</b>	<b>31<sup>st</sup> March 18</b>
Total Income	3971.45	915.15
Increase/(decrease) of Stock in trade	26.94	68.27
Profit before Interest & Depreciation	439.85	284.05
Less : Interest	59.39	13.44
Depreciation	331.11	265.56
Profit/(Loss) before Tax	49.35	5.05
Provision for Current Tax	7.03	0.00
Deferred Tax	9.33	17.30
Tax adjustment related to earlier year	0.00	0.00
Net Profit /(Loss)	32.99	(12.24)
Transfer to Profit & Loss Account	32.99	(12.24)

### **2. Review of the Operations**

#### **A) Distillery**

i) **Patran (Punjab):** The distillery unit has produced 326070 cases of Punjab Medium Liquor (PML) consisting of 50 degree, 65 degree & 75 degree. The unit has also produced 6593 boxes of under Indian made foreign Liquor (IMFL) consisting of 1467 cases boxes of Whistler whisky, 3001 boxes of Golden Wings, 2125 cases boxes of Pure Dark Rum.

ii) The unit has also produced 1457558 bulk liters of Ethanol which has been supplied to various oil manufacturing companies. The unit has achieved a turnover and other income of Rs 2489.35 Lacs during the year

iii) **Bawal (Haryana)** The distillery unit has produced 505339 cases of Country Liquor, & has made a turnover and other income of Rs.1453.03 Lacs..

#### **B) Sugar Mill**

Sugar Mill did not commence the crushing operations during the season 2018-2019, due to adverse conditions prevailing in the entire area. The sugar availability in the country is much more than the consumption in the country. More over the steep increase in the prices of sugarcane rendered the prices of finished sugar unremunerative. There is a other income of Rs.29.07 lacs during the year

### **3.Share Capital**

The paid up Equity Share Capital as at March 31, 2019 stood at Rs 2322.09 lacs consisting of 23254527 equity shares of Rs. 10/- each . During the year under review, the company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

### **4.Dividend**

Your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2019, due to accumulated Losses.

### **5.Directors & Key Managerial Personnel**

Ms Madhu Sharma, Director of the Company retires by rotation and is eligible for the reappointment.

The Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify as an independent director under section 149 (6) of the Companies Act 2013 & 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

### **6.Number of meetings of the Board**

During the year under review 5 (five) meetings of the Board of Directors were held to transact the business of the company.

The time gap between the two consecutive meetings was not exceeding 120 days. Details of the Board meetings including attendance of Directors at these meetings are provided in the Corporate Governance Report annexed to this report.

### **7.Board evolution**

In line with the provisions of the Companies Act 2013 and SEBI Guidance Note on Board evolution issued on January 5,2017 read with relevant provisions of the SEBI listing Regulations 2015, the Board has carried out an annual evaluation of the Directors individually , of the chairman and of the Board as a whole performance through the separate meeting of independent Directors and the board as a whole. The board evaluated the effectiveness of its functioning , that of the committees & of individual Directors, after taking feedback from the Directors & committee members. The manner in which the evaluation has been carried out has been explained in the corporate Governance Report.

The performance of the independent Directors was evaluated by the entire Board except the person being evaluated, in their meeting held on 23/03/2019. A separate meeting of independent Directors was held on 23/03/2019, to review the performance of non independent Directors, performance of the board & committee as a whole & performance of the chairman of the company taking into account the views of executive Director & the non executive Directors.

### **8.Material Changes & commitment affecting the Financial position of the company**

There is no material changes affecting the financial position of the company subsequent to the close of the financial year 2018- 19 till the date of report.

### **9.Significant & material orders passed by the Regulators or Courts or Tribunals**

There are no significant material orders passed by the regulators or Courts or Tribunal which would impact the going concern

status of the company and its future operation. However, Members attention is drawn to the statement on Contingent Liabilities and commitments in the notes forming part of the financial statement.

#### 10. Deposits

Your company has not accepted any deposits from the public during the year. Further there is not any non compliance of Chapter 5 of Companies Act 2013 and rules framed there under.

#### 11. Risk Management

Your company carries out a periodical exercise to identify various risks involved in the business & operations of the company. After identification, such risks are assessed for the degree of risks involved and accordingly steps are taken to mitigate those risks. The objective of such exercise is to mitigate the probable adverse impact on business operations and thus enhance the competitiveness. The risk assessment process of the company defines the risk management approach at all levels across the organization including determination of the degree of risks and proper steps to be taken to avoid the probable harm. The Board is updated periodically on the risks identified and steps taken for mitigating them.

#### 12. Auditors & Audit report

##### a. Statutory Auditors

M/s Aggarwal Sahil & Associates, the Statutory Auditors of the company were appointed by the members at the 24th Annual General meeting of the company for an initial term of 5 years i.e. from the conclusion of 24th Annual General Meeting till the conclusion of 29th Annual General meeting of the company pursuant to section 139 of the Companies Act 2013. They have confirmed that they are not disqualified from continuing as Auditors of the company.

The Auditors Report does not contain any qualification, reservation or adverse remark. The Notes on Financial statements referred to in the Auditors report are self explanatory and do not call any further comments.

##### b. Secretarial Audit

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 the Board has appointed Mr. Kanwaljit Singh, Practicing Company Secretary as Secretarial Auditors of your company for the financial year 2019-2020. The Secretarial Audit report for the financial year 2018-19 is annexed to this report as Annexure-A.

The Auditors Report does not contain any qualification, reservation or adverse remark. The Notes on Financial statements referred to in the Auditors report are self explanatory and do not call any further comments.

#### 13. Amounts proposed to be carried to Reserves

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the company.

#### 14. Consolidated Financial Statement

Consolidation of accounts is not applicable on the company.

#### 15. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo:

As required under Section 134 (3)(m) of the Companies Act 2013 read with rule 8 of the Companies (Accounts) Rules 2014, the information relating to the conservation of the energy, technology absorption and foreign exchange earnings and outgo, is annexed and forms part of the report as per Annexure B.

#### 16. Contracts or Arrangements with related Parties

Pursuant to section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014, the Particulars of contracts or arrangements entered into by the company with related parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2.

#### 17. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements, however there is no transaction during the year.

#### 18. Internal Controls

The company's internal Control system is commensurate with its size, scale and complexities of its operations. The Audit committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the Internal Audit reports.

#### 19. Change in the nature of business

During the year under review, there has been no change in the nature of business of the company.

#### 20. Extract of Annual Return

The information required under section 134(3) (a) of the Companies Act 2013 (the Act) read together with section 92(3) of the Act regarding extract of the Annual return is given in Annexure -C of this report.

#### 21. Corporate Social Responsibility (CSR) Committee-CSR Report

The expenditure on the corporate social responsibility is not applicable on the company since there are no average profits during the last three preceding years as required for applicability of CSR

#### 22. Management Discussion and Analysis & Corporate Governance & Policies

Pursuant to regulation 34 (3) of SEBI (Listing obligation and disclosure requirements) 2015. Management discussion and Analysis, Corporate Governance Report and Auditors certificate regarding compliance of conditions of corporate governance are made part of the Annual Report as per Annexure D.

Your board has in accordance with the requirements of Companies Act 2013 & SEBI (Listing obligation and disclosures requirement) 2015 has adopted policies such as Related Party Transaction, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism policy. These policies are available on the website of the company and can be viewed on [www.psailpatran.com](http://www.psailpatran.com).

Your board has in accordance with the requirements of Companies Act 2013 & SEBI (Listing obligation and disclosure requirements) 2015, has formed Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Audit Committee & Stakeholders relationship Committee is given in Annexure D.