

13th Annual Report 2019-20

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I

BOARD OF DIRECTORS

| S.No | Name | Designation |
|------|-----------------------------------|-------------------|
| 1. | Thomas John | Chairman |
| 2. | Ahamed Meeran S Sheik Mohideen | Managing Director |
| 3. | Abraham Parayil Mathew | Director |
| 4. | Oommen Chackalayil Chacko | Director |
| 5. | Suresh Bharathan | Director |
| 6. | Vadasseri Srinath | Director |

- II. Key Managerial Personnel** : Ms S Shenbagavalli , Company Secretary
- III. AUDITORS** : M/s. ASA & Associates LLP
Chartered Accountants, Chennai
- IV. REGISTERED OFFICE** : AL - Barakkah Towers, New No.10, K.B.Dasan Road,
Alwarpet, Chennai - 600018
- CIN** : U74950TN2007PLC062401
- V. BANKERS** : Federal Bank Limited
Secunderabad Branch, Secunderabad
State Bank of India, Patna
- VI. COMPANY SECRETARY
IN PRACTICE** : Mr.N.Balachandran, Chennai



NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Professional Couriers Network Limited will be held on Thursday, 31st December, 2020 at 3.00 P.M. at The Professional Couriers Chennai Conference hall, 3rd Floor, No 17, Cathedral Garden Road, Chennai - 600034, to transact the following businesses:-.

Ordinary Business

1. To receive, consider and adopt the Audited profit and loss account for the year ended 31st March, 2020 and the balance sheet as at the date together with the report of the Board of Directors and the Auditors thereon.
2. To appoint a director in the place of Mr. Abraham Parayil Mathew who retires by rotation and is eligible for re-appointment.
3. To appoint a director in the place of Mr. Suresh Bharathan who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business:

5. Appointment of Mr. Ahamed Meeran as Managing Director.

“RESOLVED THAT pursuant to the provisions of Section 196 (1) and (2) and other provisions of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded for the re-appointment of Mr. S Ahamed Meeran (DIN 00094209), as Managing Director of the Company for a period of five years with effect from 1st April, 2020 on Nil remuneration.

By Order of the Board,
For **PROFESSIONAL COURIERS NETWORK LIMITED**

Place: Chennai
Date: 4th December, 2020

S Ahamed Meeran
Managing Director
DIN : 00094209

Note:-

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a Proxy need not be a Member of the Company.
2. The Instrument(s) appointing the proxy, if any, shall be deposited at the registered office of the company, at AL Barakah towers, 4th floor, No.10, K.B. Dasan road, Alwarpet, Chennai – 600 018 not less than forty eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. As per the General Circulars N.o.20 dated May 5,2020 and in accordance with the rule 18 of the companies (Management and Administration) Rules, 2014 (the rules), the notices, Board's Report , Annual Return, Financial Statement shall be given **only through e-mails registered** with the company .
4. Members / proxies are requested to bring the attendance slip duly filled in.
5. Copies of annual report will not be distributed at the annual general meeting. Members are requested to bring their copies to the meeting.
6. This Annual Report is also placed on the website of the Company namely www.pcnl.in.
7. The shareholder/members who have not registered their Email ID with the company are requested to register your email ID either by a separate communication sent by post to the registered office of the company or you can send your email ID reference to the designated Email ID namely:investor.relations@pcnl.in along with your Name, Folio No and Mobile No.
8. Members are also requested to quote the folio of the register of members in all their correspondence.
9. Shareholders who happen to hold shares in identical orders of names in different folios of the register of members are requested to write to the company to consolidate their holdings.
10. Ballot Form is also provided for the benefit of members who do not have access to e-voting facility.
11. A member can opt for only one mode of voting i.e., either through e-voting or by ballot. If a member casts votes by both modes then voting done through e-voting shall prevail and ballot form shall be treated as invalid.
12. In accordance with provision of section 108 of Companies Act,2013 read with Companies (Management and Administration) Rules 2014 e-voting facility have been provided to the members.
13. The Board of Directors has appointed Mr. N.Balachandran (M.No -5113, C.P No- 3200) Practicing Company Secretary, Chennai as Scrutinizer for conducting the e-voting in a fair and transparent manner.
14. The company has engaged the services of M/s. KFIN Technologies Pvt. Ltd, to provide e-voting facilities enabling the members to cast their vote in a secured manner.
15. The E-voting Period would commence on 28thDecember, 2020 (9.00AM) and ends on 30th December, 2020 (5.00PM). The e-voting module shall be disabled by Scrutinizer for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholder cannot change it subsequently.
16. Shareholders of the company holding shares, as on the cutoff date i.e., 09thDecember, 2020 may cast their vote electronically.
17. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the Meeting.
18. The results of the e-voting will be placed on or before Saturday,2ndJanuary 2021 at the Company's website at www.pcnl.in.
19. Person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
20. Provided that once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again
21. The E-voting facility will be blocked after 30thDecember 2020 (5.00P.M).

Explanatory statement pursuant to section 102 of the companies Act, 2013 & Clause 1.2.5 of Secretarial Standard-2 on General Meetings

Item No. 5

Mr. S Ahamed Meeran was appointed as Managing Director of the Company by the Board at its Meeting held on 1st April, 2014 without remuneration.

Mr. S Ahamed Meeran has Graduated in Commerce from Sadakathullah Appa College (Madurai Kamraj University), Palayamkottai, Tamilnadu. He has over 32 years of experience in the courier industry.

Relevant details relating to appointment of Mr. S Ahamed Meeran as Managing Director required by the Companies Act 2013 and Secretarial Standard-2 on General Meetings has been provided as an "Annexure 1" to this Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. S Ahamed Meeran, are in any way concerned or interested financially or otherwise in the Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

ANNEXURE 1

Details of Directors Seeking Appointment/Re-Appointment at the Annual General Meeting

[Pursuant to Clause 1.2.5 of Secretarial Standard-2 on General Meetings]

| Name | Mr. Abraham Parayil Mathew | Mr. Suresh Bharathan | S Ahamed Meeran |
|---|---|--|--|
| Age | 61 Years | 63 Years | 65 Years |
| qualifications, | Graduated in Science from Christian College, Chengannur, Kerala | Graduated in Commerce from Kerala Varma College, Trichur, Calicut University and has passed his Intermediate in ICWA | He has Graduated in Commerce from Sadakathullah Appa College (Madurai Kamraj University), Palayamkottai, Tamilnadu |
| Experience | 32 years of experience in the courier industry. | 32 years of experience in the courier industry. | 32 years of experience in the courier industry. |
| Terms And Conditions Of Appointment Or Re-Appointment | Appointment without remuneration | Appointment without remuneration | Appointment without remuneration |
| Remuneration | Nil | Nil | Nil |
| Date of First Appointment On The Board | 19/02/2007 | 19/02/2007 | 19/02/2007 |
| Relationship with other Directors Manager And Other Key Managerial Personnel of the Company | NA | NA | NA |
| Shareholding in Professional Couriers Network Limited | 7,41,682 | 7,29,107 | 8,22,327 |
| The number of Meetings of the Board attended during the year | 16 | 16 | 16 |

| | | | |
|--|--|---|---|
| <p>Directorships, Membership/ Chairmanship of Committees of other Boards shall</p> | <p>Directorship: 1. Profinet Business Solutions Pvt Ltd. 2. Professional International Couriers Private Limited. 3.The Professional Couriers (Mumbai-Central) Private Limited. 4.The Professional Couriers Private Limited</p> | <p>Directorship: 1. Professional International Couriers Private Limited , 2.The Professional Couriers Private Limited, 3.Gurudarsan Institute of Medical Sciencesprivate Limited , 4.The Professional Couriers (Cochin-South) Private Limited</p> | <p>Directorship: 1.Repute Agro Farms Private Limited. 2.Repute Builders Private Limited 3.Hercules Auto Spare Parts Private Limited 4.Mouthful Restaurers Private Limited 5.Repute Logistics Private Limited 6.Professional International Couriers Private Limited 7.Repute Express India Private Limited 8.Repute Infotech & Enterprises Limited</p> |
| | | | |

**By Order of the Board,
For PROFESSIONAL COURIERS NETWORK LIMITED**

**Place: Chennai
Date: 4th December, 2020**

**S AhamedMeeran
Managing Director
DIN : 00094209**

PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM AT THE ANNUAL GENERAL MEETING.

1. The members, who have not cast their vote electronically, can exercise their voting rights at the AGM. The company will make necessary arrangements in this regard at the AGM venue.
2. The form should be signed by the member as per the specimen signature registered with the company/ depository. In case of joint holding, by the next name of joint holder. A power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the company or enclosing an attested copy of the POA. Exercise of vote by ballot is not permitted through proxy.
3. In case the shares are held by the companies, trusts, societies, etc. the duly completed ballot form should be accompanied by a certified true copy of relevant Board Resolution/ Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the ballot.
5. The Voting rights of shareholders shall be in proportion of shares held by them in the paid up equity share capital of the company as on 09th December, 2020.
6. A Member may request for a duplicate Ballot Form, if so required.
7. Unsigned, incomplete, improperly or incorrectly tick marked ballot forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
8. The decision of the scrutinizer on the validity of the ballot form and any other related matter shall be final.
9. The results declared along with scrutinizer's report shall be placed on company's website www.pcnl.in

PROCEDURE AND INSTRUCTIONS FOR E-VOTING.

In compliance with provisions of Sections 108 and other applicable provisions of the Act read with Rules framed thereunder and SS-2, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their vote electronically instead of dispatching the physical Ballot form by post.

The procedure and instructions for e-voting are as follows:

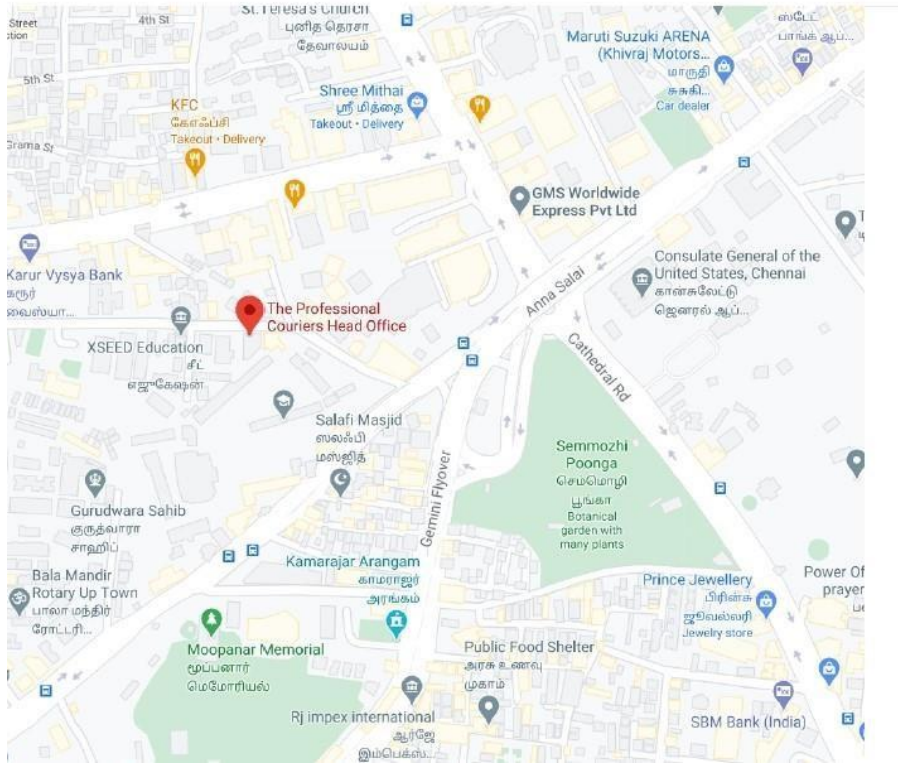
- i) Open your web browser during the voting period and navigate to 'https://evoting.kfintech.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the **E -Voting Ballot Form. Your folio/DP Client ID will be your User-ID.**

| | |
|------------------|--|
| User - ID | For Members holding shares in Physical Form:- <ul style="list-style-type: none">• Event no. followed by Folio Number registered with the company |
| Password | Your Unique password will be forwarded to your registered email through separate mail |
| Captcha | Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons. |

- iii) Please contact KFIN toll free No. **1-800-34-54-001** for any further clarifications.
- iv) After entering these details appropriately, click on "LOGIN".

- v) Members holding shares in Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) You need to login again with the new credentials.
- vii) On successful login, system will prompt to select the 'Event' i.e., '**Company Name**'.
- viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- ix) After selecting the resolution if you have decided to vote, 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.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate/Institutional Members (corporate /Fls/Flls/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to baloogetha@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

ROUTE MAP



Board's Report

To
 The Members of
PROFESSIONAL COURIERS NETWORK LIMITED

Your Directors have pleasure in presenting the 13th Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

Amount in Rs.

| | 2019-2020 | 2018-19 |
|---|----------------------|----------------------|
| Revenue from Operations (including Other income) | 78,30,10,448 | 71,36,36,085 |
| Finance Charges | 56,66,419 | 60,38,669 |
| Loss After Tax | (4,50,29,572) | (4,99,96,252) |

2. CHANGE IN NATURE OF BUSINESS, IF ANY

The company has not changed its nature of Business during the year under review.

3. DIVIDEND

No Dividend was declared for the current financial year due to loss incurred by the Company.

4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The company has not transferred any amount to General Reserve.

5. CHANGES IN SHARE CAPITAL, IF ANY

During the Financial Year 2019-20, there is no change in the share capital.

6. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint venture or Associate Company.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no pending unclaimed dividend.

8. MATERIAL CHANGES AND COMMITMENTS

COVID 19

There have been no material changes and commitments, affecting the financial position of the company that have occurred between the end of the financial year 2019-20 and the date of this report except the impact arising out of Covid 19 Pandemic which is briefly described below:-
 The business has been severely impacted on account of COVID-19.

Many of the Business establishments have been closed since the mandated lockdown announced during March, 2020.

The Company is currently operating on a lower capacity levels and the Company expects its business to become operational in a staggered manner after the lockdown is lifted.

However, revenues are expected to be softer in the initial phase of the lockdown and for some time after the lifting of the lockdown mainly due to reduced business.

The Company is taking all necessary measures to contain costs, rationalise resources taking initiatives to uplift revenue.

The Company is also holding back on discretionary spending, postponing Capital expenditure and planning other cost optimization measures.

9. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

10. MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-20, the Company held Sixteen (16) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 are adhered to while considering the time gap between two meetings.

| S.No | Date of Meeting | Board Strength | No. of Directors Present |
|-------------|------------------------|-----------------------|---------------------------------|
| 1. | 29.04.2019 | 6 | 6 |
| 2. | 28.06.2019 | 6 | 6 |
| 3. | 01.07.2019 | 6 | 6 |
| 4. | 31.07.2019 | 6 | 6 |
| 5. | 03.09.2019 | 6 | 6 |
| 6. | 12.09.2019 | 6 | 6 |
| 7. | 26.09.2019 | 6 | 6 |
| 8. | 31.10.2019 | 6 | 6 |
| 9. | 11.12.2019 | 6 | 6 |
| 10. | 18.12.2019 | 6 | 6 |
| 11. | 22.01.2020 | 6 | 6 |
| 12. | 29.02.2020 | 6 | 6 |
| 13. | 25.01.2020 | 6 | 6 |
| 14. | 31.01.2020 | 6 | 6 |
| 15. | 29.02.2020 | 6 | 6 |
| 16. | 04.03.2020 | 6 | 6 |

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate

accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) Company being unlisted sub clause (e) of section 134(3) is not applicable.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws including Secretarial Standards as may be applicable and that such systems were adequate and operating effectively.

12. AUDITORS REPORT

The Auditors, M/s ASA & Associates, Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment for a period of 1 (one) year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM.

The Notes on financial statements are self-explanatory and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2020 is annexed herewith for your kind perusal and information.

13. REPLY TO AUDITOR'S REMARKS

Please refer Annexure 3 of this Report for qualifications in the Auditor's Report and the Explanation by the Board for the qualifications.

14. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the statutory auditors has not reported any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

15. LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any new Loans, Guarantee or made any new Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2020:

16. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and Approval of the Board of Directors & shareholders was obtained wherever required.

Further all the necessary details of transaction entered with the related parties are attached herewith in form no. **AOC-2** for your kind perusal and information. **(Annexure: 2)**

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review being less power intensive.

B. Foreign Exchange Earnings And Outgo

There were no foreign exchange earnings and outgo during the year under review.

18. RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board monitors and reviews the implementation of various aspects of risk management policy. The key risks are properly managed across the organization.

19. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There are no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year.

20. DIRECTORS and KMP

Mr. Abraham Parayil Mathew & Mr. Suresh Bharathan, retire at the ensuing Annual General Meeting being eligible, they seek reappointment and the Board recommends their reappointments.

MsShenbagavalli was appointed as Company Secretary of the Company w.e.f 01.02.2020

21. STATEMENT SHOWING DETAILS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable to the company.

22. DEPOSITS

The company has not accepted any deposits during the year.

23. SHARES

- a. The Company has not bought back any of its securities during the year under review.
- b. The Company has not issued any Sweat Equity Shares during the year under review.
- c. No Bonus Shares were issued during the year under review.
- d. The Company has not provided any Stock Option Scheme to the employees.
- e. The company has not provided any shares with differential rights.

24. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013, the provisions of CSR is not applicable for this company.

25. ANNUAL EVALUATION

The provision of section 134(3) (p) relating to board evaluation is not applicable on the company.

26. INDEPENDENT DIRECTORS and DECLARATION

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to your Company.

27. NOMINATION, REMUNERATION AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company as the company is neither paying any remuneration nor provided for such remuneration during the year.

28. AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

29. SECRETARIAL AUDIT REPORT

The provisions of Section 204 of the Companies Act, 2013 read with applicable Rules made in this regard, is not applicable to the Company.

30. COST AUDIT

The provisions of Section 148(1) of the Companies Act, 2013 read with applicable Rules made in this regard, is not applicable to the Company.

31. VIGIL MECHANISM

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, vigil mechanism is not applicable to this company as your company is unlisted company.

32. ORDER OF COURT

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

34. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The company continued to implement the suggestions and recommendations made by the auditors to improve the control environment and corrective actions forthwith.

36. ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

**For and on behalf of the Board of Directors
PROFESSIONAL COURIERS NETWORK LIMITED**

**Place: Chennai
Date: 4thDecember 2020**

**S Ahamed Meeran
Managing Director
DIN: 00094209**

**Oommen C Chacko
Director Finance
DIN: 00564291**

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2020

Annexure -1

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74950TN2007PLC062401
- ii) Registration Date : 19/02/2007
- iii) Name of the Company : Professional Couriers Network Limited
- iv) Category / Sub-Category : company limited by shares, Non Govt CO.
of the Company
- v) Address of the Registered Office And Contact Details : Al - Barakkah Towers New No.10, K B Dasan Road,
Alwarpet Chennai-600018
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl.No | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Sale of couriers (courier charges | NA | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | |
|---|---|------------------|------------------|-------------------|---|------------------|------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares |
| (1) Indian | | | | | | | | |
| a) Individual/HUF | - | 45,08,963 | 45,08,963 | 47.75 | | 45,13,063 | 45,13,063 | 47.79 |
| b) Central Govt | - | - | - | - | | - | - | - |
| c) State Govt (s) | - | - | - | - | | - | - | - |
| d) Bodies Corp. | - | 65,000 | 65,000 | 0.69 | | 65,000 | 65,000 | 0.69 |
| e) Banks / FI | - | - | - | - | | - | - | - |
| f) Any Other Relatives | - | 12,48,175 | 12,48,175 | 13.21 | | 12,56,925 | 12,56,925 | 13.31 |
| Sub-total (A) (1):- | - | 58,22,138 | 58,22,138 | 61.65 | | 58,34,988 | 58,34,988 | 61.79 |
| (2) Foreign | | | | | | | | |
| a) NRIs- Individuals | - | - | - | - | | - | - | - |
| b) Other - Individuals | - | - | - | - | | - | - | - |
| c) Bodies Corp. | - | - | - | - | | - | - | - |
| d) Banks / FI | - | - | - | - | | - | - | - |
| e) Any Other.... | - | - | - | - | | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | - | 58,22,138 | 58,22,138 | 61.65 | | 58,34,988 | 58,34,988 | 61.79 |
| B. Public Shareholding | | | | | | | | |
| 1. Institutions | | | | | | | | |
| a) Mutual Funds | - | - | - | - | | - | - | - |
| b) Banks / FI | - | - | - | - | | - | - | - |
| c) Central Govt | - | - | - | - | | - | - | - |

| | | | | | | | | |
|--|---|------------------|------------------|--------------|---|------------------|------------------|--------------|
| d) State Govt(s) | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - |
| g) FII's | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | | - | - | - | | - | - | - |
| 2. Non-Institutions | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | 18,84,722 | 18,84,722 | 19.96 | - | 18,71,872 | 18,71,872 | 19.82 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh | - | 17,36,257 | 17,36,257 | 18.39 | - | 17,36,257 | 17,36,257 | 18.39 |
| c) Others (Specify) | - | - | - | - | - | - | - | - |
| Sub Total (B)(2):- | - | 36,20,979 | 36,20,979 | 38.35 | - | 36,08,129 | 36,08,129 | 38.21 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | - | 36,20,979 | 36,20,979 | 38.35 | - | 36,08,129 | 36,08,129 | 38.21 |
| C.Shares held by custodian for GDRs & ADRs | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 94,43,117 | 94,43,117 | 100 | - | 94,43,117 | 94,43,117 | 100 |

(II) Shareholding of Promoters

| Sl No | Sharholders Name | No of Shares held at the beginning of the year | | | No of Shares held at the end of the year | | |
|-------|-----------------------------------|--|----------------------------------|--|--|----------------------------------|--|
| | | No of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to total shares | No of Shares | % of Total Shares of the Company | % of Shares Pledged / encumbered to total shares |
| 1 | Abraham Parayil Mathew | 7,41,582 | 7.85 | - | 7,41,682 | 7.85 | - |
| 2 | Thomas John | 7,29,457 | 7.72 | - | 7,29,457 | 7.72 | - |
| 3 | AhamedMeeran S Sheik Mohideen | 8,18,327 | 8.67 | - | 8,22,327 | 8.71 | - |
| 4 | Suresh Bharathan | 7,29,107 | 7.72 | - | 7,29,107 | 7.72 | - |
| 5 | OommenChackalayil Chacko | 7,36,608 | 7.80 | - | 7,36,608 | 7.80 | - |
| 6 | Vadesseri Srinath | 7,53,882 | 7.98 | - | 7,53,882 | 7.98 | - |
| 7 | Repute Infotech & Enterprises Ltd | 65,000 | 0.69 | - | 65,000 | 0.69 | - |
| 8 | SarammaOommen | 2,00,000 | 2.12 | - | 2,00,000 | 2.12 | - |
| 9 | Nihar Fathima | 1,35,000 | 1.43 | - | 1,35,000 | 1.43 | - |
| 10 | Sally Abraham | 2,00,750 | 2.13 | - | 2,05,750 | 2.18 | - |
| 11 | Sheela Devi Srinath | 2,00,000 | 2.12 | - | 2,00,000 | 2.12 | - |
| 12 | Biji Sara Thomas | 2,00,000 | 2.12 | - | 2,00,000 | 2.12 | - |
| 13 | V VSeethalakshmi | 2,06,250 | 2.18 | - | 2,06,250 | 2.18 | - |
| 14 | Sheik Shafeeq Ahamed | 10,725 | 0.11 | - | 10,725 | 0.11 | - |
| 15 | SameenaSulthana | 10,725 | 0.11 | - | 10,725 | 0.11 | - |
| 16 | Eric C Oommen&Oommen C Chacko | 12,275 | 0.13 | - | 12,275 | 0.13 | - |
| 17 | Eddin John Oommen&Oommen C Chacko | 30,850 | 0.33 | - | 31,350 | 0.33 | - |
| 18 | SarammaOommen&Oommen C Chacko | 31,000 | 0.33 | - | 33,000 | 0.35 | - |
| 19 | Oommen C Chacko & Eric C Oommen | 1,250 | 0.01 | - | 1,250 | 0.01 | - |
| 20 | Oommen C Chacko &SarammaOommen | 8,000 | 0.08 | - | 8,000 | 0.08 | - |
| 21 | Ciril P Abraham | 1,350 | 0.01 | - | 1,350 | 0.01 | - |
| 22 | Jevin John Thomas | - | - | - | 1,250 | 0.01 | - |
| | Total | 58,22,138 | 61.65 | - | 58,34,988 | 61.79 | - |

(III) Change in Promoters' Shareholding (Please specify, if there is no change)

| S.No | Particulars | No of Shares held at the beginning of the year | | Cumulative shareholding during the year | |
|------|----------------------------------|--|---------------------------------|---|---------------------------------|
| | | No of Shares | %of total shares of the Company | No of Shares | %of total shares of the Company |
| 1 | At the beginning of the year | 58,22,138 | 61.65 | 58,34,988 | 61.65 |
| 2 | Date wise Increase / Decrease in | 1. Transfer of 1500 | 0.14 | 12,850 | 0.14 |

| | | | | | |
|---|--|---|----------|-----------|-------|
| | Promotors Shareholding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer/ bonus/sweat equity etc) | shares on 31/07/2019. 2. Transfer of 4450 on 31/10/2019 3. Transfer of 6900 on 29/02/2020 | Transfer | | |
| 3 | At the end of the year | 58,34,988 | 61.79 | 58,34,988 | 61.79 |

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holder of GDRs and ADRs):

| S.No | Particulars | No of Shares held at the beginning of the year | | Cumulative shareholding during the year | |
|------|-----------------------------|--|---------------------------------|---|---------------------------------|
| | | No of Shares | %of total shares of the Company | No of Shares | %of total shares of the Company |
| 1 | Estates of Mr. Ronny George | 7,35,357 | 7.79 | 7,35,357 | 7.79 |
| 2 | Mrs Maria Ronny George | 2,00,000 | 2.12 | 2,00,000 | 2.12 |
| 3 | Senthil K M | 1,85,900 | 1.97 | 1,85,900 | 1.97 |
| 4 | Suresh Surendranath Nair | 1,50,000 | 1.59 | 1,50,000 | 1.59 |
| 5 | Ramesh Babu | 62,500 | 0.66 | 62,500 | 0.66 |
| 6 | Subbu Lakmi B | 50,000 | 0.53 | 50,000 | 0.53 |
| 7 | Meena R | 50,000 | 0.53 | 50,000 | 0.53 |
| 8 | Kannan R R | 48,750 | 0.52 | 48,750 | 0.52 |
| 9 | Mehalingam S | 35,425 | 0.38 | 35,425 | 0.38 |
| 10 | Ashok Kumar Purohit | 26,000 | 0.28 | 26,000 | 0.28 |
| | Total | 15,43,932 | 16.35 | 15,43,932 | 16.35 |

(V) Shareholding of Directors and Key Managerial Personnel:

| S.No | Particulars | No of Shares held at the beginning of the year | | Cumulative shareholding during the year | |
|------|------------------------------|--|---------------------------------|---|---------------------------------|
| | | No of Shares | %of total shares of the Company | No of Shares | %of total shares of the Company |
| 1 | At the beginning of the year | 45,08,963 | 47.75 | 45,13,063 | 47.79 |
| 2 | Date wise Increase / | 1. Transfer of | 0.04 | 4100 | 0.04 |

| | | | | | |
|---|---|--|----------|-----------|-------|
| | Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer/ bonus/sweat equity etc) | 1500 on 31/07/2019. 2. Transfer of 700 on 31/10/2019. 3. Transfer of 1900 on 29/02/2020. | Transfer | | |
| 3 | At the end of the year | 45,13,063 | 47.79 | 45,13,063 | 47.79 |

V. INDEBTEDNESS

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

| S No | Particulars | Secured Loans | Unsecured Loans | Deposits | Total indebtedness |
|------|--|--------------------|---------------------|----------|---------------------|
| | Indebtedness at the beginning of the financial year | | | | |
| 1 | i) Principal Amount | 1,83,19,015 | 48,66,73,507 | - | 50,49,92,522 |
| | ii) Interest due but not paid | - | - | - | - |
| | iii) Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 1,83,19,015 | 48,66,73,507 | - | 50,49,92,522 |
| | Change in Indebtedness during the financial year | | | | |
| 2 | · Addition | 1,46,42,271 | 1,60,77,285 | | 3,07,19,556 |
| | · Reduction | - | - | - | |
| | Net Change | - | - | - | - |
| | Indebtedness at the end of the financial year | | | | |
| 3 | i) Principal Amount | 3,29,61,286 | 50,27,50,792 | | 53,57,12,078 |
| | ii) Interest due but not paid | - | - | - | - |
| | iii) Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 3,29,61,286 | 50,27,50,792 | | 53,57,12,078 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No | Particulars of Remuneration | Name of MD/WTD/Manager | | | | Total Amount |
|------|---------------------------------------|------------------------|---|---|---|--------------|
| 1 | Gross salary Salary as per provisions | - | - | - | - | - |

| | | | | | | |
|-----|--|----|---|---|---|---|
| | contained in section 17(1) of the Income-tax Act, 1961 | | | | | |
| (a) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - | - |
| (b) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | - | - | - | - |
| (c) | Stock Option | - | - | - | - | - |
| 2 | Sweat Equity | - | - | - | - | - |
| 3 | Commission | - | - | - | - | - |
| 4 | - as % of profit | - | - | - | - | - |
| | - others, specify... | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (A) | - | - | - | - | - |

B. REMUNERATION TO OTHER DIRECTORS:

| S.No | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|------|--|-------------------|---|---|---|--------------|
| 1 | Independent Directors | - | - | - | - | - |
| | Fee for attending board / committee meetings, Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | - | - | - | - | - |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | Fee for attending board / committee meetings | - | - | - | - | - |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - | - |
| | Total Managerial Remuneration overall Ceiling as per the Act | - | - | - | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| S No | Particulars of Remuneration | Key Managerial Personnel | | | |
|----------|---|--------------------------|-------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1. (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 64000 | - | 64000 |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| (c) | Profits in lieu of salary under section 17(3) Income-tax, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 64000 | - | 64000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal Made If any (give Details) |
|------------------------------------|------------------------------|-------------------|--|-------------------------------|-----------------------------------|
| A.Company | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| B.Directors | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| C.Other Officers in Default | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

**For and on behalf of the Board of Directors
PROFESSIONAL COURIERS NETWORK LIMITED**

**Place: Chennai
Date: 4th December, 2020**

**S Ahamed Meeran
Managing Director
DIN: 00094209**

**Oommen C Chacko
Director Finance
DIN: 00564291**

PROFESSIONAL COURIERS NETWORK LIMITED

CIN: U74950TN2007PLC062401

Year ending 31.03.2020

ANNEXURE 2 to Board's report

FORM NO. AOC.2

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 transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis

| Sl No. | Particulars | Details |
|---------------|---|----------------|
| A | Name(s) of the related party and nature of relationship | NIL |
| B | Nature of contracts/arrangements/transactions | NIL |
| C | Duration of the contracts/arrangements/transactions | NIL |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any | NIL |
| E | Justification for entering into such contracts or arrangements or transactions | NIL |
| F | Date of approval by the Board | NIL |
| G | Amount paid as advances, if any | NIL |
| H | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | NIL |

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

| Sl No. | Particulars | Details |
|---------------|---|--|
| A | Name(s) of the related party and nature of relationship | Refer schedule no.5 of Notes on Accounts. |
| B | Nature of contracts/arrangements/transactions | On commercial terms in ordinary course of business. |
| C | Duration of the contracts/arrangements/transactions | Ongoing basis and in the ordinary course of business |
| D | Salient terms of the contracts or arrangements or transactions including the value, if any: | On commercial terms applicable then and there |
| E | Date(s) of approval by the Board, if any* | Considered in the earlier year's Board meeting. |
| F | Amount paid as advances, if any: | Nil |

For and on behalf of the Board of Directors
PROFESSIONAL COURIERS NETWORK LIMITED

Place: Chennai
 Date: 4th December, 2020

S Ahamed Meeran
 Managing Director
 DIN: 00094209

Oommen C Chacko
 Director Finance
 DIN: 00564291

ANNEXURE -3 TO BOARD 'S REPORT - REPLY TO AUDITOR'S REMARKS

I. AUDITOR'S - BASIS FOR QUALIFIED OPINION IN THE AUDITOR'S REPORT:

I (i). AUDITOR'S REMARKS:

The Company has not provided for the long-term employee benefits in accordance with AS 15 on "Employee Benefits". The actuarial valuation was not carried out by the Company at the Balance sheet date and the estimated liability on account of such retirement benefit (gratuity) as at the Balance sheet date could not be quantified.

REPLY TO AUDITOR'S REMARKS

The Company has made provisions under Employees Benefits to comply with the applicable standards in this regard, But the Quantification only requires earnest evaluation which could not be computed due to wide area of network. We sought the evaluating Institution's support in this regard to comply with the requirements of Law.

I (ii) AUDITOR'S REMARKS: The Company has not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") and hence disclosures as required under Schedule III of the Act and MSMED Act, 2006 is not ascertainable

REPLY TO AUDITOR'S REMARKS

The Company Is taking necessary action and it is Due Process of Identification of units covered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006")

II. AUDITOR'S REMARK IN THE ANNEXURE A TO AUDITOR'S REPORT- COMPANIES (AUDITOR'S REPORT) ORDER, 2016 ("THE ORDER").

In respect of its fixed assets:

- a) The Company has not been maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the program of physical verification of all the fixed assets by the management though not fully complete, in our opinion it is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

REPLY TO AUDITOR'S REMARKS

Due to vast area of operations and being in the Retail service industry, the company is finding it Impractical to counter this remark as committed last year. But your company made improvement both on geographically and operational wise though there is still some unattended areas left to be

addressed. However, your company is confident of strengthening its system to comply with this remark to the extent possible in due course.

III. AUDITOR'S OPINION IN INTERNAL FINANCIAL CONTROLS - ANNEXURE - B OF THE AUDITOR'S REPORT.

In our opinion, to the best of our information and according to the explanations given to us, The adequacy of controls requires to be strengthened, considering the size of the company and the nature of its business with regard to services rendered and purchase of fixed assets. Further we suggest for appropriate documentation for various processes with reference to the above in order to satisfy an absolute audit trail.

REPLY TO AUDITOR'S OPINION

There are adequate internal control exists in the present system and there is continuous improvement in the internal control process according to changes happening in the business environment, though there is still some un covered areas to be strengthened and the same shall be improved in due course.

For and on behalf of the Board of Directors
PROFESSIONAL COURIERS NETWORK LIMITED

Place: Chennai
Date: 4th December, 2020

S Ahamed Meeran
Managing Director
DIN: 00094209

Oommen C Chacko
Director Finance
DIN: 00564291

INDEPENDENT AUDITOR'S REPORT

To the Members of Professional Couriers Network Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Professional Couriers Network Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Qualified Opinion

- (i) The Company has not provided for the long-term employee benefits in accordance with AS 15 on "Employee Benefits". The actuarial valuation was not carried out by the Company at the Balance sheet date and the estimated liability on account of such retirement benefit (gratuity) as at the Balance sheet date could not be quantified.
- (ii) The Company has not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") and hence disclosures as required under Schedule III of the Act and MSMED Act, 2006 is not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the matters specified in Basis for Qualified Opinion para.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except for the matters specified in point no 9(i) to the Basis for Qualified Opinion para.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses other than disclosed.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For ASA & Associates LLP

Chartered Accountants

Firm Registration No: 009571N/N500006

K. Venkatraman

Partner

Membership No: 200/21914

Place: Chennai

Date: 04.12.2020

UDIN:20021914AAAAOM3051

Annexure - A to the Independent Auditors' Report

As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date

- (i) In respect of its fixed assets:
- c) The Company has not been maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - d) As explained to us, the program of physical verification of all the fixed assets by the management though not fully complete, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - e) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- (ii) The company is engaged in the business of providing courier services and as such the aspect of inventory related controls as specified under clause (ii) to paragraph 3 of the Order is not applicable.
- (iii) In respect of the loans secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
- a) No. of parties involved - one
Amount involved - Rs. 59,50,000/- (P.Y – Rs.59,50,000/-)
- As this represents monies advanced to the service provider engaged in the complimenting activity, the same is not prejudicial to the company's interest.
- b) As there are no stipulations regarding the repayment of the loans granted to the parties covered u/s.189 of the Act, the aspects specified under Clause 3 (b) & (c) to paragraph 3 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not provided / made any investments, guarantee and security. In respect of the loan given by the company, being in the ordinary course of business is in conformity with the applicable provisions of the Companies Act, 2013.

Independent Auditor's Report
To the Members of Professional Couriers Network Limited
Report on the Audit of Financial Statements for the year ended March 31, 2020

(v) According to information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 as applicable.

(vi) According to the information and explanations given to us, no cost records have been prescribed under the provisions of Section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues

- a) The Company has been depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities, invariably with delays, during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears, exceeding 6 months as at March 31, 2020
- b) In our opinion and according to information and explanations given to us, the company does not have any dispute with respect to income tax, sales tax, service tax, duty of customs, duty of excise, value added tax.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders.

(ix) In our opinion and according to the information and explanation given to us, company has neither made any public offer nor availed any term loans during the financial year under reference and accordingly the provisions of clause (ix) of paragraph 3 of the Order is not applicable.

(x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has neither paid nor provided any managerial remuneration and accordingly provisions of Clause (xi) of paragraph 3 of the Order is not applicable.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all

Independent Auditor's Report
To the Members of Professional Couriers Network Limited
Report on the Audit of Financial Statements for the year ended March 31, 2020

transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has issued Fully Convertible Debentures of Rs.24,00,000 and those funds are utilized for Operational Expenses and Business development.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **ASA & Associates LLP**
Chartered Accountants
Firm Registration No: 009571N/N500006

K. Venkatraman
Partner
Membership No: 200/21914

Place: Chennai
Date: 04.12.2020
UDIN: 20021914AAAAOM3051

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Independent Auditor's Report
To the Members of Professional Couriers Network Limited
Report on the Audit of Financial Statements for the year ended March 31, 2020

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the adequacy of controls requires to be strengthened, considering the size of the company and the nature of its business with regard to services rendered and purchase of fixed assets. Further we suggest for appropriate documentation for various processes with reference to the above in order to satisfy an absolute audit trail.

For ASA & Associates LLP
Chartered Accountants
Firm Registration No: 009571N/N500006

K. Venkatraman
Partner
Membership No: 200/21914

Place: Chennai
Date: 04.12.2020
UDIN: 20021914AAAAOM3051

PROFESSIONAL COURIERS NETWORK LIMITED

Address - AL-Barakkah Towers, No.10, K.B.Dasan Raod, Alwarpet, Chennai - 600018

Email: maaco-admin@tpcmaa.in

Balance Sheet**As At March 31, 2020**

(Currency: Indian Rupees)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share capital | 3.1 | 9,44,31,170 | 9,44,31,170 |
| (b) Reserves and surplus | 3.2 | (42,55,86,959) | (38,05,57,387) |
| | | (33,11,55,789) | (28,61,26,217) |
| (2) Non-current liabilities | | | |
| (a) Long-term borrowings | 3.3 | 52,03,88,668 | 49,52,08,579 |
| (b) Other long term liabilities | 3.4 | 3,93,38,103 | 3,36,68,170 |
| | | 55,97,26,771 | 52,88,76,749 |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 3.5 | 15,93,027 | 14,95,019 |
| (b) Trade payables | | | |
| (i) Total Outstanding dues of Creditors Micro and Small Enterprises | | | - |
| (ii) Total Outstanding dues of Creditors other than Micro and Small Enterprises | 3.6 | 10,07,73,016 | 8,20,31,859 |
| (c) Other current liabilities | 3.7 | 9,23,34,125 | 8,45,39,251 |
| (d) Short-term provisions | 3.8 | 1,87,82,416 | 1,01,72,642 |
| | | 21,34,82,584 | 17,82,38,771 |
| TOTAL | | 44,20,53,570 | 42,09,89,303 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, plant and equipment | | | |
| (i) Tangible assets | 3.9 | 1,61,23,363 | 1,89,25,342 |
| (ii) Intangible assets | | 7,98,92,215 | 9,15,52,286 |
| (iii) Capital work-in-progress | | - | - |
| | | 9,60,15,578 | 11,04,77,628 |
| (b) Deferred tax assets (net) | 3.10 | 21,56,744 | 15,99,931 |
| (c) Long-term loans and advances | 3.11 | 1,95,25,014 | 1,67,91,979 |
| (d) Other non current asset | 3.12 | 1,70,16,513 | 82,64,880 |
| | | 13,47,13,849 | 13,71,34,418 |
| (2) Current Assets | | | |
| (a) Trade receivables | 3.13 | 25,67,06,677 | 23,36,26,467 |
| (b) Cash and cash equivalents | 3.14 | 4,86,91,016 | 4,20,53,481 |
| (c) Short-term loans and advances | 3.15 | 19,42,032 | 27,86,109 |
| (d) Other Current assets | 3.16 | - | 53,88,828 |
| | | 30,73,39,725 | 28,38,54,885 |
| Branch/Divisions | | - | - |
| Investment - Inter Branch | | - | - |
| TOTAL | | 44,20,53,570 | 42,09,89,303 |

Summary of Significant accounting policies and notes to accounts 1-5
The accompanying notes form an integral part of the financial statements

Vide our report of even date attached

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

For and on behalf of the Board of Directors of
PROFESSIONAL COURIERS NETWORK LIMITED
CIN - U74950TN2007PLC062401

K Venkatraman

Partner

Membership No. 200/21914

S Ahamed Meeran

Managing Director

DIN: 00094209

Oommen C Chacko

Director Finance

DIN: 00564291

Place: Chennai

Date : 04.12.2020

S Shenbagavalli

Company Secretary

M.No: 32518

PROFESSIONAL COURIERS NETWORK LIMITED

Address - AL-Barakkah Towers, No.10, K.B.Dasan Road. Alwarpet, Chennai - 600018

Email: maaco-admin@tpcmaa.in

Statement of Profit and Loss**For the Year Ended March 31, 2020**

(Currency: Indian Rupees)

| | Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|-------|---------------------------------------|----------|---------------------------|---------------------------|
| I | Revenue from operations | 4.1 | 78,15,45,332 | 71,19,17,506 |
| II. | Other income | 4.2 | 14,65,116 | 17,18,579 |
| III. | Total Revenue (I + II) | | 78,30,10,448 | 71,36,36,085 |
| IV. | Expenses: | | | |
| | Operating and Direct Expenses | 4.3 | 48,64,85,732 | 43,86,88,883 |
| | Employee benefits expenses | 4.4 | 20,33,12,135 | 18,28,85,986 |
| | Finance costs | 4.5 | 56,66,419 | 60,38,669 |
| | Depreciation and amortization expense | 3.9 | 1,62,88,374 | 1,82,41,541 |
| | Other expenses | 4.6 | 11,68,34,733 | 11,84,27,188 |
| | Inter Branch (Income/Expenses) | | 9,440 | - |
| | Total Expenses | | 82,85,96,833 | 76,42,82,267 |
| V. | Profit /(Loss) before tax (III - IV) | | (4,55,86,385) | (5,06,46,182) |
| VI. | Tax Expenses: | | | |
| | (1) Current Tax | | - | - |
| | (2) Deferred Tax | 3.10 | 5,56,813 | 6,49,931 |
| VII. | Loss for the year (V + VI) | | (4,50,29,572) | (4,99,96,251) |
| VIII. | Earnings per equity share: | | | |
| | (1) Basic | | (4.83) | (5.29) |
| | (2) Diluted | 4.7 | (0.87) | (1.07) |

*Summary of Significant accounting policies and notes to accounts 1-5**The accompanying notes form an integral part of the financial statements*

Vide our report of even date attached

For ASA & Associates LLP*Chartered Accountants*

Firm Registration No. 009571N/N500006

K Venkatraman*Partner*

Membership No. 200/21914

Place: Chennai

Date : 04.12.2020

For and on behalf of the Board of Directors of

PROFESSIONAL COURIERS NETWORK LIMITED

CIN - U74950TN2007PLC062401

S Ahamed Meeran

Managing Director

DIN: 00094209

S Shenbagavalli

Company Secretary

M.No: 32518

Oommen C Chacko

Director Finance

DIN: 00564291

PROFESSIONAL COURIERS NETWORK LIMITED

Address - AL-Barakkah Towers, No.10, K.B.Dasan Raod. Alwarpet, Chennai - 600018

Email: maaco-admin@tpcmaa.in

Cash Flow Statement**For the Year Ended March 31, 2020**

(Currency: Indian Rupees)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--|------------------------------|------------------------------|
| <u>A. Cash Flow from Operating Activities</u> | | |
| Net Profit before taxation | (4,55,86,385) | (5,06,46,182) |
| <u>Adjustments for:</u> | | |
| Depreciation on property, plant and equipment | 1,62,88,374 | 1,82,41,542 |
| Bad Debts | 22,03,750 | 77,36,772 |
| Interest expense | 41,13,537 | 46,74,774 |
| <u>Deduct:</u> | | |
| Interest income | (4,39,037) | (2,92,157) |
| Operating Profit before Working Capital changes | (2,34,19,761) | (2,02,85,251) |
| <u>Adjustments for :</u> | | |
| (Increase) / Decrease in Trade receivables | (2,52,83,960) | (3,77,73,986) |
| (Increase) / Decrease in loans and advances | (1,06,40,591) | (9,15,412) |
| (Increase) / Decrease in other Current Assets | 53,88,828 | 49,32,761 |
| Increase/(Decrease) in Trade Payables | 1,87,41,157 | 1,18,63,328 |
| Increase/(Decrease) in Other Current liabilities | 1,67,31,130 | 2,71,28,309 |
| CASH GENERATED FROM OPERATIONS | (1,84,83,197) | (1,50,50,251) |
| Income tax Paid | - | - |
| Net Cash inflow from/ (outflow) from Operating activities | (1,84,83,197) | (1,50,50,251) |
| <u>B. Cash Flow from Investing Activities</u> | | |
| Purchase of Property, plant and equipment | (18,26,324) | (43,79,291) |
| Sale Proceeds from Property, plant and equipment | - | - |
| Interest received | 4,39,037 | 2,92,157 |
| Net Cash inflow from/ (outflow) from Investing activities | (13,87,287) | (40,87,134) |
| <u>C. Cash Flow from Financing Activities</u> | | |
| Proceeds from borrowings | 4,84,63,978 | 6,56,32,959 |
| Repayment of borrowings | (1,78,42,430) | (1,98,84,081) |
| Interest paid | (41,13,537) | (46,74,774) |
| Net Cash inflow from/ (outflow) from Financing activities | 2,65,08,011 | 4,10,74,104 |
| Net increase /(decrease) in cash and cash equivalents (A+B+C) | 66,37,527 | 2,19,36,719 |
| Add: Opening balance of Cash and cash equivalents | 4,20,53,481 | 2,01,16,763 |
| Closing balance of Cash and cash equivalents | 4,86,91,016 | 4,20,53,481 |

*Summary of Significant accounting policies and notes to accounts 1-5**The accompanying notes form an integral part of the financial statements*

Vide our report of even date attached

For ASA & Associates LLP*Chartered Accountants*

Firm Registration No. 009571N/N500006

For and on behalf of the Board of Directors of

PROFESSIONAL COURIERS NETWORK LIMITED

CIN - U74950TN2007PLC062401

K Venkatraman*Partner*

Membership No. 200/21914

S Ahamed Meeran

Managing Director

DIN: 00094209

Oommen C Chacko

Director Finance

DIN: 00564291

Place: Chennai

Date :04.12.2020

S Shenbagavalli

Company Secretary

M.No: 32518

Note1: Overview of the Company

Professional Couriers Network Limited (‘the Company’), was incorporated in India on 19th February, 2007 having its registered office in Chennai, primarily to carry on the courier operations of the north/east India territory (“the territory”) in connecting the professional couriers consignments from other parts of India.

The company has commenced its operations during the Financial Year 2009-10 and covering Delhi, Kolkata and North/Eastern region of India.

Note 2: Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the Historical Cost convention, on accrual basis of accounting and in accordance with the provisions contained in the Companies Act, 2013 (“the Act”), and the accounting principles generally accepted in India and comply with the accounting standards prescribed in Sec 133 of Companies Act, 2013 and Rule 7 of Companies (Accounting) Rules, 2014 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The financial statement are prepared and presented in the form set out in Part I and Part II of Schedule III of the Act, so far as they are applicable thereto.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of financial statements which in management’s opinion are prudent and reasonable. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, plant and equipment / Intangible Assets

Tangible assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Assets under installation or under construction as at the balance sheet date are shown as capital work in progress.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de recognized.

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and cost of the assets can be measured reliably.

d) Depreciation

Depreciation on other tangible assets is provided on Reducing Balance Method on a pro rata basis over its economic useful lives, The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets. The Company has used the following useful lives to provide depreciation on its tangible assets:

| Tangible Asset | Useful life adopted (Years) | Useful life (Years) specified in Schedule II |
|-----------------------|------------------------------------|---|
| Computer & Software | 3 | 3 |
| Furniture & Fixtures | 10 | 10 |
| Office Equipment | 5 | 5 |
| Vehicles | 8 | 8 |
| Buildings | 30 | 30 |

Intangible Assets are amortized over a period of 10 years and is based on the expected future economic benefits that will flow into the company.

Individual assets costing less than Rs.5000 are fully expensed off in the year of purchase.

e) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. The recoverable amount of the asset (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, then carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Leases

Where the Company is the lessor

Leases in which the Company doesn't transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss as per the lease agreement. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments, if any.

Current Investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- *Sales of goods*
Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of trade discount, duties and sales tax.
- *Service Income*
Service income is recognized as per the terms of the contract when the related services are rendered. It is stated net of service tax.
- *Interest income*
Interest income is recognized on time proportion basis.
- *Other Income*
Export incentive, income from investment and other service income are accounted on accrual basis.

i) Employee Benefits:

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

a. **Gratuity:**

The liability under Gratuity shall be provided for on completion of initial five years of existence from its commencement of operations.

b. **Provident Fund:**

Provident fund is a defined contribution plan with the Regional Provident Fund Commissioner and the contribution made during the year as per the plan is expensed.

c. **Leave Encashment:**

Liability for leave is treated as a short-term liability and is accounted for as and when earned by the employee. Further earned leave in excess of the prescribed limit as and when encashed by the employees are expensed to revenue.

j) Taxation

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Current tax

Provision for current tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

Minimum alternative tax

Minimum alternative tax (MAT) obligation in accordance with the tax laws, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax during the specified period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably

k) Borrowing Cost

Borrowing costs to the extent related/attribution to the acquisition/construction of assets that takes substantial period of time to get ready for their intended use are capitalized along with the respective asset up to the date such asset is ready for use. Other borrowing costs are charged to the Statement of Profit and Loss.

l) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

m) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

n) Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management's best estimates.

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

COVID-19 Impact note

The spread of 'COVID-19' across the globe and in India has contributed to a significant decline and volatility in global and Indian markets and a contraction in the economic activities. On March 11, 2020, COVID-19 outbreak was declared as a global pandemic by the World Health Organization (WHO). The Indian Government announced a strict 21 day lockdown on March 24, 2020, which is being extended from time to time with or without relaxations across the country based on the severity of the spread at local levels. The extent to which the COVID-19 pandemic will impact the operations and financial results of the Company and consequently the estimates and judgments made, could vary on future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company, which are uncertain as at the date of approval of these financial statements. The company continues to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period. However, considering the overall condition of the economy and the interventions of the Government to ensure revival of economic activity, the company does not consider that there is any uncertainty regarding the assumption of Going Concern.

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Accompanying notes to the financial statements

for the year ended March 31, 2020

(Currency: Indian Rupees)

NOTE 3: Notes to the Balance Sheet

3.1 - SHARE CAPITAL**a. Details of authorised, issued and subscribed share capital**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Authorised Capital 2,00,00,000 Equity shares of Rs. 10 each | 20,00,00,000 | 20,00,00,000 |
| Issued Capital 1,24,23,000 Equity shares of Rs. 10 each | 12,42,30,000 | 12,42,30,000 |
| Subscribed and Paid up 94,43,117 Equity shares of Rs. 10 each | 9,44,31,170 | 9,44,31,170 |
| | 9,44,31,170 | 9,44,31,170 |

b. Details of Shares held by each shareholder holding more than 5% shares

| Name of Shareholder | Relationship | As at March 31, 2020 | | As at March 31, 2019 | |
|-------------------------------|-------------------|--------------------------|------------|--------------------------|------------|
| | | No of Equity shares held | Percentage | No of Equity shares held | Percentage |
| Abraham Parayil Mathew | Director | 7,41,682 | 7.85 | 7,41,582 | 7.85 |
| Thomas John | Director | 7,29,457 | 7.72 | 7,28,957 | 7.72 |
| Ahamed Meeran SSheik Mohideen | Managing Director | 8,22,327 | 8.71 | 7,98,407 | 8.45 |
| Suresh Bharathan | Director | 7,29,107 | 7.72 | 7,29,107 | 7.72 |
| Oomen Chackalayil Chacko | Director | 7,36,608 | 7.80 | 7,36,608 | 7.80 |
| Vadesseri Srinath | Director | 7,53,882 | 7.98 | 7,53,882 | 7.98 |
| Estates of Ronny George | Share Holder | 7,35,357 | 7.79 | 7,35,357 | 7.79 |

c. Reconciliation of number of shares

| Particulars | Equity Shares | | | |
|---|---------------|-------------|-----------|-------------|
| | 2019-20 | | 2018-19 | |
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | 94,43,117 | 9,44,31,170 | 94,43,117 | 9,44,31,170 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 94,43,117 | 9,44,31,170 | 94,43,117 | 9,44,31,170 |

d. Terms/ Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10 per share. Each holders of Equity Shares is provided one vote per share.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential allotments, if any. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

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for the year ended March 31, 2020

(Currency: Indian Rupees)

NOTE 3: Notes to the Balance Sheet

3.2 - RESERVES AND SURPLUS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| a. Securities Premium Account | | |
| Opening Balance | 8,62,43,313 | 8,62,43,313 |
| | 8,62,43,313 | 8,62,43,313 |
| b. Surplus | | |
| Opening balance | (46,68,00,700) | (41,68,04,448) |
| (+) Net Profit/(Net Loss) For the current year | (4,50,29,572) | (4,99,96,252) |
| Closing Balance | (51,18,30,272) | (46,68,00,700) |
| | | |
| | (42,55,86,959) | (38,05,57,387) |

3.3 - LONG-TERM BORROWINGS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| SECURED | | |
| Debentures | 1,76,37,876 | 85,35,072 |
| 12.55 % Debentures of Rs. 100 each (secured by Trade Receivables and guaranteed by Directors) | | |
| UN-SECURED | | |
| Fully Convertible Debentures | 42,83,91,700 | 42,59,91,700 |
| Debentures of Rs. 100 each | | |
| Loan From Related Parties | 7,43,59,092 | 6,06,81,807 |
| TOTAL OF SECURED AND UN-SECURED | 52,03,88,668 | 49,52,08,579 |

"The Secured Debentures have been issued in four parts (Rs.1,75,00,000 during FY 2013-14, Rs. 2,50,00,000 during FY 2014-15, Rs.1,98,04,600 during FY 2018-19 and Rs.2,42,99,100 in FY 19-20). The repayment will be made in 60 equal monthly installments." The amount repayable in the next 12 months is Rs.1,37,30,383/- (Refer note no. 3.7) (PY 82,88,994/-). The debentures are secured against Trade Receivables of the Company".

The Fully Convertible Debentures for amounts totalling Rs. 42,83,91,700/- (PY Rs.42,59,91,700/-) with Face Value of Rs.100/- each issued at different points of time, shall be converted into equity shares of the same value at the end of fifth year from its issue date having Face Value of Rs.10/-.

3.4 - OTHER LONG-TERM LIABILITIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Business Associates Deposits* | 3,89,64,977 | 3,13,07,644 |
| Express Collection Centers Security Deposits* | 3,73,126 | 23,60,526 |
| | 3,93,38,103 | 3,36,68,170 |

* Refundable Deposits

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(Currency: Indian Rupees)

NOTE 3: Notes to the Balance Sheet

3.2 - SHORT-TERM BORROWINGS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| SECURED | | |
| Loans repayable on demand | | |
| From Banks | 15,93,027 | 14,95,019 |
| (OD Facility is availed from The Federal Bank and is secured by FD of Rs 28,55,023/- with FDR no: 11030300309428) | | |
| | 15,93,027 | 14,95,019 |

3.3 - TRADE PAYABLES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade Payables * | - | - |
| Total outstanding dues of micro enterprises and small enterprises | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 10,07,73,016 | 8,20,31,859 |
| | 10,07,73,016 | 8,20,31,859 |

*

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises based on the confirmations circulated and responses received by the management.

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year | - | - |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

3.4 - OTHER CURRENT LIABILITIES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Current maturities of long-term debt (12.55% Debentures) (Refer Note no 3.3) | 1,37,30,383 | 82,88,924 |
| Statutory Payments | 5,57,67,685 | 4,64,54,572 |
| Other liabilities | 2,28,36,055 | 2,97,95,755 |
| | 9,23,34,125 | 8,45,39,251 |

3.5 - SHORT TERM PROVISIONS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|-------------------------|-------------------------|
| Employee Benefit Payable | 1,87,82,416 | 1,01,72,642 |
| | 1,87,82,416 | 1,01,72,642 |

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(Currency: Indian Rupees)

NOTE 3: Notes to the Balance Sheet

3.6 - Property, Plant and Equipment

| Particulars | Tangible Assets | | | | | | | Intangible Assets | | | Grand Total |
|--------------------------|------------------|------------------|------------------|------------------|----------------------|-----------------------|--------------------|------------------------|----------------------|---------------------|---------------------|
| | Land | Building | Vehicles | Office Equipment | Furniture & Fixtures | Computers & Softwares | Total | Licenses and franchise | Hub and Spokes Model | Total | |
| Cost | | | | | | | | | | | |
| At March 31, 2018 | 12,75,000 | 77,01,274 | 47,79,429 | 75,58,720 | 1,42,68,556 | 1,69,31,788 | 5,25,14,766 | 6,59,00,000 | 5,07,00,717 | 11,66,00,717 | 16,91,15,483 |
| Additions | - | 9,88,352 | 3,51,120 | 9,78,668 | 64,470 | 19,96,681 | 43,79,291 | - | - | - | 43,79,291 |
| At March 31, 2019 | 12,75,000 | 86,89,626 | 51,30,549 | 85,37,388 | 1,43,33,026 | 1,89,28,469 | 5,68,94,057 | 6,59,00,000 | 5,07,00,717 | 11,66,00,717 | 17,34,94,774 |
| Additions | - | - | - | 5,09,227 | 9,15,169 | 4,01,927 | 18,26,324 | - | - | - | 18,26,324 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2020 | 12,75,000 | 86,89,626 | 51,30,549 | 90,46,615 | 1,52,48,195 | 1,93,30,396 | 5,87,20,381 | 6,59,00,000 | 5,07,00,717 | 11,66,00,717 | 17,53,21,098 |
| Depreciation | | | | | | | | | | | |
| At March 31, 2018 | - | 9,31,124 | 24,78,207 | 55,17,545 | 84,54,816 | 1,40,05,553 | 3,13,87,245 | 1,31,80,000 | 2,08,359 | 1,33,88,359 | 4,47,75,604 |
| Charge for the year | - | 2,60,222 | 5,66,625 | 13,89,572 | 15,11,168 | 28,53,883 | 65,81,470 | 65,90,000 | 50,70,072 | 1,16,60,072 | 1,82,41,542 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2019 | - | 11,91,346 | 30,44,832 | 69,07,117 | 99,65,984 | 1,68,59,436 | 3,79,68,715 | 1,97,70,000 | 52,78,431 | 2,50,48,431 | 6,30,17,146 |
| Charge for the year | - | 2,70,177 | 5,52,873 | 10,98,997 | 15,75,884 | 11,30,371 | 46,28,303 | 65,90,000 | 50,70,072 | 1,16,60,072 | 1,62,88,374 |
| Disposals | - | - | - | - | - | - | - | - | - | - | - |
| At March 31, 2020 | - | 14,61,523 | 35,97,706 | 80,06,114 | 1,15,41,868 | 1,79,89,807 | 4,25,97,018 | 2,63,60,000 | 1,03,48,502 | 3,67,08,502 | 7,93,05,520 |
| Net block | | | | | | | | | | | |
| At March 31, 2019 | 12,75,000 | 74,98,280 | 20,85,717 | 16,30,271 | 43,67,042 | 20,69,033 | 1,89,25,342 | 4,61,30,000 | 4,54,22,286 | 9,15,52,286 | 11,04,77,629 |
| At March 31, 2020 | 12,75,000 | 72,28,103 | 15,32,843 | 10,40,501 | 37,06,327 | 13,40,589 | 1,61,23,363 | 3,95,40,000 | 4,03,52,215 | 7,98,92,215 | 9,60,15,578 |

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NOTE 3: Notes to the Balance Sheet

3.7 - DEFERRED TAX ASSET (Net)

| Tax payments pending adjustments/Refund due | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Deferred Tax Liability | | |
| Excess of net block of property, plant and equipment as per books of accounts over net block for tax purpose | 7,36,343 | 2,77,168 |
| | 7,36,343 | 2,77,168 |
| Deferred Tax Asset | | |
| Expenses disallowed under Sec 40 a (ia) | 14,20,401 | 1,51,213 |
| Expenses Disallowed for Doubtful Debts | | 11,71,550 |
| Expenses disallowed under Sec 43B | - | - |
| | 14,20,401 | 13,22,763 |
| Net | 21,56,744 | 15,99,931 |

| | | |
|---|-----------------|-----------------|
| Deferred Tax Charge / (Credit) for the year | 5,56,813 | 6,49,931 |
|---|-----------------|-----------------|

3.8 - LONG-TERM LOANS AND ADVANCES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| a. Security Deposits | | |
| Unsecured, considered good | 1,35,75,014 | 1,08,41,979 |
| | 1,35,75,014 | 1,08,41,979 |
| b. Loans and advances to related parties * | | |
| Unsecured, considered good | 59,50,000 | 59,50,000 |
| | 59,50,000 | 59,50,000 |
| | 1,95,25,014 | 1,67,91,979 |

* Includes

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Private Company in which director is a member | 59,50,000 | 59,50,000 |

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(Currency: Indian Rupees)

NOTE 3: Notes to the Balance Sheet

3.12 - OTHER NON-CURRENT ASSETS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Tax payments pending adjustments/Refund due | 1,70,16,513 | 82,64,880 |
| | 1,70,16,513 | 82,64,880 |

3.13 - TRADE RECEIVABLES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Trade receivables outstanding for a period less than six months | | |
| Unsecured, considered good | 12,33,56,911 | 12,26,19,987 |
| | 12,33,56,911 | 12,26,19,987 |
| Trade receivables outstanding for a period exceeding six months | | |
| Unsecured, considered good | 13,33,49,766 | 11,10,06,480 |
| | 13,33,49,766 | 11,10,06,480 |
| | | |
| | 25,67,06,677 | 23,36,26,467 |

Trade Receivable stated above include debts due by:

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Directors | - | - |
| Other officers of the Company | - | - |
| Firm in which director is a partner | - | - |
| Private Company in which director is a member | - | - |

3.14 - CASH AND CASH EQUIVALENT

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| a. Cash on hand* | 1,41,79,483 | 2,57,78,223 |
| b. Balances with banks | | |
| -In current account | 2,89,80,422 | 1,15,78,344 |
| -In deposits with original maturity for more than 3 months and less than 12 months | 18,53,571 | 20,03,925 |
| -In deposits with original maturity for more than 12 months ** | 31,85,962 | 26,34,476 |
| c. Interest accrued but not due on FD | 1,550 | 58,513 |
| d. Interest accrued on Income Tax Refund | 4,90,028 | |
| | 4,86,91,016 | 4,20,53,481 |

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NOTE 3: Notes to the Balance Sheet

3.15 - SHORT-TERM LOANS AND ADVANCES

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|-------------------------|-------------------------|
| Loans and advances to Employees | 19,42,032 | 27,86,109 |
| | 19,42,032 | 27,86,109 |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Directors | - | - |
| Other officers of the Company | - | - |
| Firm in which director is a partner | - | - |
| Private Company in which director is a member | - | - |

3.16 - OTHER CURRENT ASSETS

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|-----------------|-------------------------|-------------------------|
| TDS Receivables | - | 53,88,828 |
| | - | 53,88,828 |

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NOTE 4: Notes to the Statement of Profit and Loss

4.1 - REVENUE FROM OPERATIONS

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|------------------|------------------------------|------------------------------|
| Sale of Services | | |
| -Courier Charges | 78,15,45,332 | 71,19,17,506 |
| | 78,15,45,332 | 71,19,17,506 |

4.2 - OTHER INCOME

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|-------------------------------|------------------------------|------------------------------|
| Interest on FD with banks | 4,39,037 | 2,92,157 |
| Scrap Sale | 81,659 | 2,800 |
| Interest on Income Tax Refund | 9,44,420 | 14,23,622 |
| | 14,65,116 | 17,18,579 |

4.3 - OPERATING AND DIRECT EXPENSES

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Coloading and Forwarding Charges | 24,24,45,471 | 23,94,49,012 |
| Booking, Delivery and Operational Expenses | 19,48,83,017 | 15,28,26,543 |
| Vehicle - Running, Maintenance & Hire Charges | 4,91,57,244 | 4,64,13,328 |
| | - | |
| | 48,64,85,732 | 43,86,88,883 |

4.4 - EMPLOYEE BENEFIT EXPENSES

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|-------------------------|------------------------------|------------------------------|
| Salaries and incentives | 18,64,52,324 | 16,84,79,780 |
| Contributions to : | | |
| - PF & ESI | 1,12,41,681 | 1,07,11,782 |
| Gratuity paid | 17,20,717 | 3,99,880 |
| Staff welfare expenses | 38,97,414 | 32,94,544 |
| | 20,33,12,135 | 18,28,85,986 |

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NOTE 4: Notes to the Statement of Profit and Loss

4.5 - FINANCE COST

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Bank Charges | 8,86,297 | 3,32,269 |
| Bank OD Interest | 1,60,996 | 1,42,795 |
| Interest on Secured Debentures | 39,52,541 | 45,31,979 |
| Interest on GST & TDS | 6,66,584 | 10,31,626 |
| | 56,66,419 | 60,38,669 |

4.6 - OTHER EXPENSES

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Electricity Charges | 57,09,771 | 53,32,274 |
| Rent | 4,65,52,488 | 3,75,29,873 |
| Printing and Stationery | 1,62,11,696 | 1,53,50,070 |
| Repairs and Maintenance | 1,67,26,656 | 1,66,59,448 |
| Rates and Taxes | 5,02,015 | 20,37,280 |
| Communication Expenses | 62,21,123 | 80,45,844 |
| Travel Expenses | 63,03,269 | 52,39,859 |
| Bad Debts Written off | 22,03,750 | 77,36,772 |
| Legal and Professional | 26,39,878 | 28,17,413 |
| Sales/Business Promotion expenses | 90,13,732 | 71,23,467 |
| Audit Fees | 7,00,000 | 6,00,000 |
| Office Expenses | 17,60,331 | 13,19,744 |
| Miscellaneous Expenses | 22,90,024 | 86,35,144 |
| | 11,68,34,733 | 11,84,27,188 |

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NOTE 4: Notes to the Statement of Profit and Loss

4.7 - EARNINGS PER EQUITY SHARES

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Basic Earnings per Share | | |
| Profit/(Loss) attributable to Equity shareholders | (4,55,86,385) | (4,99,96,252) |
| Weighted average number of equity shares | 94,43,117 | 94,43,117 |
| Basic Earnings Per Share | (4.83) | (5.36) |
| Face value per Share | 10 | 10 |
| Dilutive Earnings per Share | | |
| Profit after adjusting interest on potential equity shares | (4,55,86,385) | (4,99,96,252) |
| Weighted average number of equity share after considering potential equity shares | 5,22,82,287 | 4,68,34,197 |
| Dilutive Earnings per Share | (0.87) | (1.07) |
| Face value per Share | 10 | 10 |

Note: The Conversion of Fully Convertible Debentures into equity shares, if made, would have the effect of reducing the loss per share and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating diluted earnings per shares.

4.8 - FOREIGN EXCHANGE INFLOW / OUTFLOW (ON ACCRUAL BASIS):

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|--------------------------|------------------------------|------------------------------|
| Foreign Exchange Outflow | NIL | NIL |
| Foreign Exchange Inflow | NIL | NIL |
| | - | - |

4.9. AUDITOR REMUNERATION

| Particulars | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|-----------------------|------------------------------|------------------------------|
| Audit Fees | | |
| - For Statutory Audit | 6,00,000 | 5,00,000 |
| - For Tax Audit | 1,00,000 | 1,00,000 |
| | 7,00,000 | 6,00,000 |

PROFESSIONAL COURIERS NETWORK LIMITED

Address - AL-Barakkah Towers, No.10, K.B.Dasan Road. Alwarpet, Chennai - 600018

Email: maaco-admin@tpcmaa.in

Accompanying notes to the financial statements

For the year ended March 31, 2020

(Currency: Indian Rupees)

NOTE 5: Other Notes**A. Current Financial Condition, Mitigating Factors & “Going Concern”**

The company has been incurring cash losses on a continuous basis. This has eroded the net-worth of the company and raises issues on the aspect of going concern of the company's operations going forward.

The Board has noted that there is a considerable upward movement in the revenue as compared to earlier years and operating margins are continuously positive. Based on the current business plans such as rationalization of operations, ramping up the coverage of the business in areas, bringing in additional funds by the promoters or their associates in the form of different class of shares will ensure the business turning in to profitable by near future' time frame from now.

In view of the above said mitigating factors the company is positively looking at the scenario as a “Going Concern”

B. Trade receivables

Trade receivables are periodically reviewed by the company and considering the commercial / contractual terms, the progress in negotiations / the continuing discussions with the clients management is of the opinion that no provision is required against these receivables at this juncture.

C. Related Party disclosures**List of Related parties**

| Name of the Party | Relationship |
|---|--|
| Professional International Couriers Private Limited. | The company in which the Director(s) is interested |
| Repute InfoTech and Enterprises Limited | The company in which the Director(s) is interested |
| The Professional Couriers Private Limited | The entity in which the Director(s) is interested |
| The Professional Couriers (Hyderabad) Private Limited | The entity in which the Director(s) is interested |
| The Professional Couriers (Mumbai) Private Limited | The entity in which the Director(s) is interested |
| The Professional Couriers (Chennai) LLP | The entity in which the Director(s) is interested |
| The Professional Couriers (Partnership Entity) | The entity in which the Director(s) is interested |
| The Professional Couriers (Cochin) Private Limited | The entity in which the Director(s) is interested |
| Mr. Thomas John | Director |
| Mr. S Ahamed Meeran | Director |
| Mr. Abraham Parayil Mathew | Director |
| Mr. Oommen Chackalayil Chacko | Director |
| Mr. Suresh Bharathan | Director |
| Mr. Vadesseri Srinath | Director |

| Transactions with Related parties | | | |
|---|---------------------------------------|----------------------------------|----------------------------------|
| Name of Party | Nature of Transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Professional International Couriers Private Limited. | Purchase of Services | 35,69,763 | 28,51,361 |
| Professional International Couriers Private Limited. | Sale of Services | - | 1,756 |
| The Professional Couriers Private Limited | Purchase of Services | 6,60,830 | 2,09,541 |
| Repute Infotech and Enterprises Limited | Purchase of Services | 18,31,752 | 6,47,721 |
| The Professional Couriers (Hyderabad) Private Limited | Purchase of Services | 6,602 | 12,95,338 |
| The Professional Couriers (Hyderabad) Private Limited | Sale of Services | 6,825 | 6,925 |
| The Professional Couriers (Mumbai) Private Limited | Purchase of Services | 1,02,62,691 | 1,53,78,401 |
| The Professional Couriers (Mumbai) Private Limited | Sale of Services | 2,77,58,161 | 2,87,81,304 |
| The Professional Couriers (Chennai) LLP | Purchase of Services | 69,93,333 | 80,69,006 |
| The Professional Couriers (Chennai) LLP | Sale of Services | 2,80,91,345 | 2,60,12,620 |
| The Professional Couriers (Partnership Entity) | Purchase of Services | - | 93,45,856 |
| The Professional Couriers (Partnership Entity) | Sale of Services | 9,636 | 1,03,71,605 |
| The Professional Couriers (Cochin) Private Limited | Purchase of Services | - | 9,87,867 |
| The Professional Couriers (Cochin) Private Limited | Sale of Services | - | 18,42,107 |
| Mr.S Ahamed Meeran | Loan taken (net) | 3,95,82,978 | 5,58,86,840 |
| Mr.Oomen Chackalayil Chacko | Loan Taken | 22,00,000 | 24,00,000 |
| Mr.S Ahamed Meeran | Fully convertible Debenture Issued | - | 5,00,80,900 |
| Mr.Oommen Chackalayil Chacko | Fully convertible Debenture Issued | 24,00,000 | 20,00,000 |
| Mr.S Ahamed Meeran | Repayment of 12.55% Secured Debenture | 1,55,75,380 | 1,32,92,829 |

Balance Outstanding of Related Parties:

| Name of Party | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|----------------------------------|----------------------------------|
| Professional International Couriers Private Limited | (12,05,510) | (2,82,140) |
| Repute Infotech and Enterprises Limited | (9,96,216) | (72,846) |
| The Professional Couriers Private Limited | 7,23,339 | (1,27,169) |
| The Professional Couriers (Hyderabad) Private Limited | (2,67,450) | (2,67,886) |
| The Professional Couriers (Mumbai) Private Limited | 38,87,119 | (20,92,401) |
| The Professional Couriers (Chennai) LLP | 35,71,768 | 12,37,691 |
| The Professional Couriers (Partnership Entity) | 11,30,777 | 10,51,627 |
| The Professional Couriers (Cochin) Private Limited | 2,42,759 | 2,42,759 |
| Mr. S Ahamed Meeran | (7,08,93,402) | (5,74,56,940) |
| Mr. Oommen Chackalayil Chacko | (22,00,000) | (24,00,079) |

D. Segment Reporting

The company's operations consist of only courier services. Hence there are no reportable segments under Accounting Standard – 17. During the year under report, substantial part of Company's business has been carried throughout North & East India with a special focus on Delhi, Kolkata and NCR. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

E. Disclosure pursuant to Accounting Standard – 15 'Employee Benefits'

a) Contribution to Provident Fund & Employee State Insurance (Defined Contribution)

The Company's provident fund scheme (including pension fund scheme for eligible employees) and Employee state insurance fund schemes a defined contribution plan. The expenses charged to the Statement of Profit and Loss under these head Contribution to Provident Fund and ESI is Rs. 11,241,681/- (PY Rs.10,711,782/-).

b) Leave salary (short term compensated absences)

Liability for leave is treated as a short-term liability and is accounted for as and when earned by the employee. Further earned leave in excess of the prescribed limit as and when encashed by the employees are expensed to revenue.

F. Prior period comparatives

Previous year's figures have been regrouped / reclassified wherever necessary, to confirm the current year's classification.

Vide our report of even date attached

For ASA & Associates LLP

Chartered Accountants

Firm Registration No. 009571N/N500006

For and on behalf of the Board of Directors of

PROFESSIONAL COURIERS NETWORK LIMITED

CIN - U74950TN2007PLC062401

K Venkatraman

Partner

Membership No. 200/21914

Place: Chennai

Date :04.12.2020

S Ahamed Meeran

Managing Director

DIN: 00094209

Oommen C Chacko

Director Finance

DIN: 00564291

S Shenbagavalli

Company Secretary

M.No: 32518

Form No. MGT-11

Proxy form [Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the company: PROFESSIONAL COURIERS NETWORK LIMITED

CIN: U74950TN2007PLC062401

Registered office: AL-Barakkah towers, New no. 10, K.B.Dasan road, Alwarpet, Chennai - 600018

13thAnnual General Meeting to be held on Thursday, 31stDecember,2020 at 3.00, at The Professional Couriers Chennai Conference hall, 3rd Floor, No 17, Cathedral Garden Road, Chennai - 600034.

Name of the member (s):

Registered address:

E-mail Id:

Folio No:

Client Id:

DP ID:

I/We, being the member (s) of-----shares of the above named company, hereby appoint

1. Name:
2. Address:
3. E-mail Id:
4. Signature----- or failing him

1. Name:
2. Address:
3. E-mail Id:
4. Signature -----or failing him
- 5.

1. Name:
2. Address:
3. E-mail Id:
4. Signature----- or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **13th Annual general meeting** of the company, to be held on Thursday, 31st December, 2020 at The Professional Couriers Chennai Conference hall, 3rd Floor, No 17, Cathedral Garden Road, Chennai - 600034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of Accounts for 31.03.2020
2. To re-appoint Mr. Abraham Parayil Mathew as Director
3. To re-appoint Mr. Suresh Bharathan as Director
4. To appoint Auditors and fix their remuneration

Special Business:

5. **Appointment of Mr. Ahamed Meeran as Managing Director.**

Signed this --- day of December 2020.

Signature of shareholder:

Signature of Proxy holder(s):

| |
|---|
| Please affix Re. 1/- Revenue stamp |
|---|

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PROFESSIONAL COURIERS NETWORK LIMITED
U74950TN2007PLC062401
AL-Barakkah towers, New no. 10, K.B.Dasan road, alwarpet, Chennai – 600018
ATTENDANCE SLIP
(To be presented at the entrance)

I/We hereby record my/our presence at the Thirteenth Annual General Meeting of the Company to be held on Thursday, 31st December, 2020 at 3.00P.M. at The Professional Couriers Chennai Conference hall, 3rd Floor, No 17, Cathedral Garden Road, Chennai - 600034.

| | |
|---|--|
| Name of the Member | |
| Registered Address | |
| Folio No./DP ID No./Client ID No. | |
| Registered Address Email ID | |
| Registered Email ID | |
| Phone No. | |
| Shareholder/Proxy/Authorised Representative | |
| Signature | |

Note:

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting