



To  
The Members,

The Directors of your Company are pleased to present the 33<sup>rd</sup> Annual Report of the Company for the financial year 2018-19, along with the audited statement of accounts.

#### FINANCIAL RESULTS

During the year under review your company registered a **Total Profit after Tax of Rs. 15,97,08,489.77** The summary of the operating results is as under: -

(Amount in Rs.)

Particulars	2018-2019	2017-2018
Total Revenue	211,54,25,569.17	207,08,96,975.15
Profit Before Depreciation and Finance Cost	33,72,39,868.41	34,26,56,365.02
Less: Depreciation	8,72,89,683.36	9,30,28,725.00
Less: Finance Cost	1,24,83,446.60	81,45,626.29
Net Profit Before Tax	23,74,66,738.45	24,14,82,013.73
Tax Expenses:		
-Current	5,13,26,000.00	5,19,01,000.00
-Deferred	2,52,24,761.00	-10,810.00
Net Profit After Tax	16,09,15,977.45	18,95,91,823.73
Taxes/ Provision for Earlier Years:		
-Income Tax of Previous Years	-5,31,08,487.68	-4,88,04,421.00
-Provision for Tax for Previous Year	5,19,01,000.00	4,87,40,000.00
Profit for the Period	15,97,08,489.77	18,95,27,402.73
Earnings Per Share (in Rs.)		
- Basic	70.64	83.83
- Diluted	70.64	83.83



## **DIVIDEND**

Based on Company's performance, the Directors are pleased to recommend for approval of the members a final Dividend of Rs. 3/- per share for the Financial Year 2018-19.

## **RESERVES**

The Board proposed to carry Rs. 15,97,08,489.77/- being the surplus to Reserves & Surplus Account for the F.Y. 2018-19.

## **RESULT OF OPERATIONS AND STATE OF COMPANY'S AFFAIRS**

During the period under review, your Company generated revenue from operations of Rs. 209,73,61,103.33/- and earned profit after tax Rs. 15,97,08,489.77/-.

## **CHANGE IN NATURE OF BUSINESS, IF ANY**

During the period under review there has been no change in the nature of business activities carried out by the Company.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Your Company has not entered into any such material changes and commitments from the financial year ending 2018-19 up to the date of this Directors' Report which are affecting the financial position of the Company.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, M/s Transcontinental Healthcare Pvt. Ltd., Wholly owned Subsidiary Company has been merged with your Company. The Company received the order of Regional Director, Northern Region as on 22<sup>nd</sup> April, 2019 u/s 233(1) of Companies Act, 2013 regarding merger between Transcontinental Healthcare Private Limited (Transferor Company) with Psychotropics India Limited (Transferee Company).

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

The Company's internal control systems are commensurate with the nature of its business and are operating effectively for ensuring the orderly and efficient conduct of business, including adherence to the Company's policies, the safeguarding of its assets, 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 Act. These systems are routinely tested and certified by Statutory Auditors and cover offices and key business areas.

### **EXTRACT OF ANNUAL RETURN (Annexure-I)**

The extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 is attached to this report as per Annexure-I.

### **WEBLINK OF ANNUAL RETURN**

The Company is having website i.e. [www.pilindia.in](http://www.pilindia.in) and annual report of the Company has been published on such website. Link of the same is given below:  
[www.pilindia.in/](http://www.pilindia.in/)

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

As on Financial year ended 31<sup>st</sup> March, 2019 your Company have a Subsidiary Company “**M/s PIL Pharmaceuticals Limited**” and holding 77.88% Shares in that Company.

Apart from this, your Company has an Associate Company “**M/s Psychotropics Leasing and Finance Private Limited**” holding 11.10% shares in the Company and having control on the business decisions of “M/s Psychotropics Leasing and Finance Private Limited”.

### **REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES & JOINT VENTURE**

The Company has 1 subsidiary Company and 1 associate company.

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its subsidiary companies, which form part of the Annual Report. Further, a statement containing the salient features of the financial statements of our consolidated subsidiaries in the prescribed format AOC-1 is annexed as **Annexure –II** to the Board Report. The statement also provides details of performance, financial position of each of the subsidiaries.

The Board’s Report has been prepared based on “**STAND ALONE FINANCIAL STATEMENT OF THE COMPANY**”.

### **FIXED DEPOSITS**

Your Company has not accepted any deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.



## **SHARE CAPITAL**

The Paid-up Equity share capital as on 31st March, 2019 was Rs. 3,50,00,000/- (Rupees Three Crore Fifty Lakh Only). During the Financial year under review, the Company has not made any changes in the capital of the Company.

Also, during the financial year under review the Company has neither issued any shares with differential voting rights nor issued any sweat equity shares. Also, the Company has not offered shares under employee stock option scheme during the financial year.

## **DIRECTORS**

### **A) Changes in Directors and Key Managerial Personnel**

In accordance with the requirements of the Companies Act, 2013 and pursuant to the provisions of the Articles of Association of the Company at least two-thirds of the total number of Directors shall be liable to retire by rotation. For this purpose, considering the composition of the Board of Directors Ms. Amita Chawla, Director (DIN: 00287138) of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

Ms. Kumud Mittal (Membership No. 21813) was appointed as Company Secretary of the Company w.e.f. 1<sup>st</sup> October, 2018 u/s 203 of the Companies Act, 2013 and Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Navdeep Chawla, Managing Director, Mr. Siddharth Chawla, Whole Time Director and Ms. Kumud Mittal, Company Secretary.

### **B) Declaration by an Independent Director(s) and re-appointment, if any**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of Companies Act, 2013 and the relevant rules.

## **SECRETARIAL AUDIT REPORT**

During the period under review, secretarial audit is not applicable to the Company as the Company does not fall under the criteria required for Secretarial Audit as per the provisions of Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



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

Your Company is committed to provide a safe and harassment free work environment. To ensure this an Internal Complaints Committee (ICC) is in place in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee has adopted a policy which aims for prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior.

During the year under review, there was one case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has taken proper actions after receiving the complaint dated 22<sup>nd</sup> March, 2019, from aggrieved woman employee. ICC conducted its enquiry in the matter and took steps to settle the matter between aggrieved woman and the respondents through a conciliation process. Both parties had participated in the enquiry and both of them have been given full opportunity to produce their defense. The complainant had been given full opportunity to present her grievance including examining her witnesses. After hearing both the sides, ICC has come to the conclusion that respondents are not guilty of any charge which may amount to sexual harassment at work place, towards the complainant. The Committee has submitted its report to the Managing Director of the Company as on 11<sup>th</sup> April, 2019.

### **RISK MANAGEMENT POLICY**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time.

### **NUMBER OF BOARD MEETINGS**

During the year under review, Eighteen (18) meetings of the Board of Directors were held and the gap between two meetings did not exceed four months. The Board meetings were convened on the following dates:

16.04.2018, 30.06.2018, 20.07.2018, 31.07.2018, 14.08.2018, 25.08.2018, 03.09.2018, 19.09.2018, 20.09.2018, 01.10.2018, 12.10.2018, 22.11.2018, 25.11.2018, 17.12.2018, 24.12.2018, 23.01.2019, 16.02.2019, 08.03.2019

In respect of these meetings proper notices were given and the proceedings were properly recorded and minute's book is maintained for the purpose.

### **Constitution of Board and their Attendance**

The Constitution of the Board of Directors, their attendance at the Board Meetings during the financial year ending on 31st March, 2018 is as follows:-

Name of Director	DIN	Category	No. of Board Meetings Attended during the year
Sh. Navdeep Chawla	00286448	Managing director	18
Sh. Siddharth Chawla*	00286771	Director	18
Smt. Amita Chawla	00287138	Director	18
Sh. Sajan kumar Jain	00061401	Non-Executive & Independent Director	8
Sh. Kishan Chand Lakhani	00476229	Non-Executive & Independent Director	5
Sh. Deepak Arora	00906766	Non-Executive & Independent Director	7

\* Re-designated as Whole Time Director on 1, October, 2018.

## AUDIT COMMITTEE

The Audit Committee of the Company was constituted on 15th March, 2015, comprising of the following Directors who have the requisite financial & accounting knowledge:-

1. Sh. Sajan Kumar Jain
2. Sh. Deepak Arora
3. Sh. Siddharth Chawla

### Meetings

During the year under review, the meeting of the Audit Committee were held on 25<sup>th</sup> July, 2018 and 18<sup>th</sup> December, 2018.

## NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was constituted on 15th March, 2015, comprising of the following Directors who have the requisite financial & human resource related knowledge:-

1. Sh. Sajan Kumar Jain
2. Sh. Deepak Arora
3. Sh. Siddharth Chawla

### Meetings

During the year under review, the meeting of the Nomination & Remuneration Committee was held on 25<sup>th</sup> September, 2018 and 10<sup>th</sup> February, 2019.



## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility (CSR) Committee was constituted on 21st December, 2014, comprising of the following members of the Board of Directors of the Company as members of CSR Committee:-

- 1 Sh. Navdeep Chawla - Managing Director
- 2 Sh. Siddharth Chawla - Director
- 3 Sh. Sajan Kumar Jain - Independent Director

The Committee recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The key philosophy of all CSR initiatives of the Company is guided by three commitments of Scale, Impact and Sustainability.

During the year under review, the Company has spent **Rs. 44,46,200/-** on CSR activities. The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as per **Annexure III**.

### **Meetings**

During the year under review, the meeting of the CSR Committee was held on 25<sup>th</sup> July, 2018 and 10<sup>th</sup> February, 2019.

### **ADOPTION OF WHISTLE BLOWER POLICY & ESTABLISHMENT VIGIL MECHANISM**

For better corporate governance and in compliance with Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014; the Whistle Blower Policy of the Company has been adopted by the Board.

No protected disclosure has been received during the year under review.

### **AUDITORS**

#### **A) Statutory Auditors**

M/s. Satish Gupta & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting of the Company and have expressed their willingness for reappointment as statutory auditors in accordance with the Companies Act, 2013 and confirmed that their re-appointment, if made, will be within the prescribed limits under Section 141(3) of the Companies Act, 2013 and they are not disqualified for such reappointment within the meaning of Section 141 of the said Act.



## **B) Internal Auditor**

M/S Ravindra Yadav & Associates, Chartered Accountants has resigned as Internal Auditors of the company and M/s Chanana & Associates, Chartered Accountants has appointed as Internal Auditors of the company to conduct the internal Audit of Company in a Fair and transparent manner through Board resolution passed as on 6<sup>th</sup> May, 2019.

## **C) Cost Auditors**

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company has on recommendation of the Audit Committee, approved the appointment of M/s Gurvinder Chopra & Co. as the cost auditors of the Company for the year ending 31<sup>st</sup> March, 2019, at a remuneration mutually decided plus GST and out of pocket expenses.

## **AUDITORS' REPORT**

Auditors of the Company have not expressed any qualification in their report and notes to accounts where ever given are self-explanatory. As per Auditor's report, no fraud u/s 143(12) reported by the Auditor.

## **BOARD'S COMMENT ON THE AUDITORS REPORT**

The observation of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self explanatory and do not call for any further comment.

## **DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SECTION 148(1) OF THE COMPANIES ACT, 2013**

During the year under review, the Company is properly maintaining its Cost Records as specified under Section 148 (1) of the Companies Act, 2013.

## **LOANS, GUARANTEES AND INVESTMENTS**

**The particulars of Loans, guarantees and Investments have been disclosed in the financial statements.**

## **REMUNERATION POLICY**

During the year under review, the Board of Directors of the Company has adopted a Remuneration Policy for Directors, KMPs and other employees.





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

All related party transactions that were entered into during the financial year were on arm's length basis. There were 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.

## **PARTICULARS OF EMPLOYEES**

There is no employee drawing remuneration attracting the provisions of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### **1. CONSERVATION OF ENERGY:**

- a. Steps are taken to institutionalize process of identifying and understanding increase and decrease in energy use by monitoring energy consumption trends to determine future energy use when planning future changes in the business and diagnose specific areas of wasted energy.
- b. Significant reduction in energy consumption and cost of production of goods has been observed by the implementation of above referred measures. Implementation of referred measures have resulted in increased facility reliability as well as improved equipment performance.

### **2. TECHNOLOGY ABSORPTION:**

#### **(A) Research and Development:**

Since inception of the company and in pursuant of R&D endeavors the company is regularly incurring expenditure on R&D on the following activities

- Development of New products and formulations of Pharmaceutical drugs
- Continuous improvement of existing products for enhanced sustainability, efficiency and performance.
- Testing and adaptation of New Materials, Compounds and Ingredients.
- Environment compliance in by products and processes.



**(B) Benefits:**

Benefits derived as a result of R&D: Up gradation of the products to the new requirements has been possible because of R & D done in the company on a continuous basis.

**(C) Future Plan of action:**

Future R&D efforts will continue along similar lines, as present, but with more focus, thrust and endeavours.

**(D) Expenditure on R&D**

The expenditure on R&D activities incurred during the year is given hereunder:

(Rs. In Lacs)

Capital Expenditure	19.11
Revenue Expenditure	192.26
<b>Total R &amp; D Expenditure</b>	<b>211.37</b>

**3. FOREIGN EXCHANGE EARNING AND OUTGO:**

(Rs. In Lacs)

Foreign Exchange Earning	2176.35
Expenditure in Foreign Currency	427.46

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors of the Company confirm the following: -

- (a) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that 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) that 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) that the directors had prepared the annual accounts on a going concern basis;
- (e) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENT**

The Directors of the Company wish to place on record their sincere appreciation for the efforts and cooperation extended by all those associated with the Company.

For and on behalf of the Board of  
**Psychotropics India Limited**

Place: Faridabad  
Date: 27.09.2019

(Navdeep Chawla)  
Managing Director  
DIN : 00286448

(Siddharth Chawla)  
Whole Time Director  
DIN: 00286771



**Annexure –II**  
**FORM NO. AOC.1**  
**Statement containing salient features of the financial statement of**  
**Subsidiaries/associate companies/joint ventures**  
**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of**  
**Companies (Accounts) Rules, 2014)**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

<b>PIL PHARMACEUTICALS LIMITED</b> <b>(SUBSIDIARY COMPANY)</b>		
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	--
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	--
3.	Share capital	Rs. 1,09,00,000/-
4.	Reserves & surplus	Rs. 14,91,92,361.61
5.	Total assets	Rs. 24,48,43,098.67/-
6.	Total Liabilities	Rs. 24,48,43,098.67/-
7.	Investments	--
8.	Turnover	Rs.26,87,43,914.07
9.	Profit before taxation	Rs. 1,18,80,657.49/-
10.	Provision for taxation	Rs. 22,18,159.00/-
11.	Proposed Dividend	Rs. 0.5/- per share
12.	% of shareholding	77.88%



1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year – NIL  
[However, M/s Transcontinental Healthcare Pvt. Ltd.(Wholly owned Subsidiary Company) has been merged with Psychotropics India Limited, during the year.]

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>PSYCHOTROPICS LEASING AND FINANCE PRIVATE LIMITED (ASSOCIATE COMPANY)</b>	
<b>1. Latest audited Balance Sheet Date</b>	31.03.2019
<b>2. Shares of Associate held by the company on the year end</b>	11.10%
No.	275617 Shares
Amount of Investment in Associates	Rs. 15,00,000/-
<b>3. Description of how there is significant influence</b>	Psychotropics India Limited is having control over business decisions and both Companies are having common management.

1. Names of associates or joint ventures which are yet to commence operations. -Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year.-NIL

For and on behalf of the Board of  
**Psychotropics India Limited**

Place: Faridabad  
Date: 27.09.2019

(Navdeep Chawla)  
Managing Director  
DIN : 00286448

(Siddharth Chawla)  
Whole Time Director  
DIN: 00286771