



HOTELS & PUBS LTD

August 11, 2020

To,
Listing Department,
The Bombay Stock Exchange,
Phirozee Jeejeebhoy Towers,
Dalal Steet Fort,
Mumbai - 400 001

Dear Sir/Madam,

**Subject: Submission of Annual Report 2019-20 under Regulation 34 of the SEBI
(Listing Obligations & Disclosure Requirements) Regulations 2015.**

Ref.: Security ID: PECOS; Security Code: 539273

Please find enclosed herewith Annual Report 2019-20 as required under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Kindly take the same on record and acknowledge the receipt of the same.

Thanking You,

Yours Sincerely,

For Pecos Hotels and Pubs Limited

Rajiv Kumar Sharma
(Company Secretary & Compliance Officer)



Registered Office: # 34, Rest House Road, Bangalore - 01
Corporate Office: Guardian House, 139, Infantry Road, Bangalore -01
CIN: L55101KA2005PLC035603 Tel: 080-25580971
Email : contact@pecospub.com, pecoshotels@gmail.com
Website: www.pecospub.com



**ANNUAL REPORT
2019 - 2020**

PECOS HOTELS AND PUBS LTD

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Liam Norman Timms	Whole-Time Director
Mr. Pradosh Dhanaraj	Executive Director
Ms. Nina Nayar	Non-Executive Independent Director
Mr. Lloyd John Pereira	Non-Executive Independent Director
Mr. Koilpillai Joseph Davaraj	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Shailesh B. M.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rajiv Kumar Sharma

COMMITTEES

1. Audit Committee

Mr. Lloyd John Pereira	: Chairman
Mr. Koilpillai Joseph Davaraj	: Member
Mr. Liam Norman Timms	: Member

2. Nomination & Remuneration Committee

Ms. Nina Nayar	: Chairman
Mr. Koilpillai Joseph Davaraj	: Member
Mr. Lloyd John Pereira	: Member

3. Stakeholders Relationship Committee

Mr. Koilpillai Joseph Davaraj	: Chairman
Mr. Lloyd John Pereira	: Member
Mr. Liam Timms	: Member

OTHER INFORMATION

REGISTERED OFFICE

34, Rest House Road,
Bengaluru – 560 001

CORPORATE OFFICE

No. 139, 2nd Floor,
Guardian House, Infantry Road,
Bengaluru – 560 001

BANKERS

Guardian Souharda Sahakari Bank Niyamita

LISTING:

BSE Limited-SME Platform
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

STATUTORY AUDITORS

M/s Phillipos & Co.,
Chartered Accountants,
P.B. No. 534, No.47, M-Floor,
Wheeler Road, Cox Town, Bangalore- 560 005.

REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083
Tel No : +91 22 49186270 Fax: +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Contact Details for Investors:

Mr. Rajiv Kumar Sharma

Company Secretary and Compliance Officer

No. 139, 2nd Floor,

Guardian House (Gurumurthy Bhavan)

Infantry Road,

Bengaluru – 560001

Telephone: (080) 25580971

Mail Id:pecoscs2005@gmail.com

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LETTER TO SHAREHOLDERS

Dear Shareholders,

It gives me immense pleasure to place before you the 15th Annual Report of Pecos Hotels and Pubs Limited. The financial year 2019-20 was a period of consolidation for your company. We strengthened our operations in our units across India by improving business processes, systems and controls. Despite competition that this industry routinely faces, your company has held its own in both turnover and profitability. Unfortunately the COVID-19 global pandemic began to take effect from the month of February and by March some of units had to be locked down by order of the government. This has negatively affected our financial performance for the financial year 2019-20 and thereby reducing our net profit to some extent.

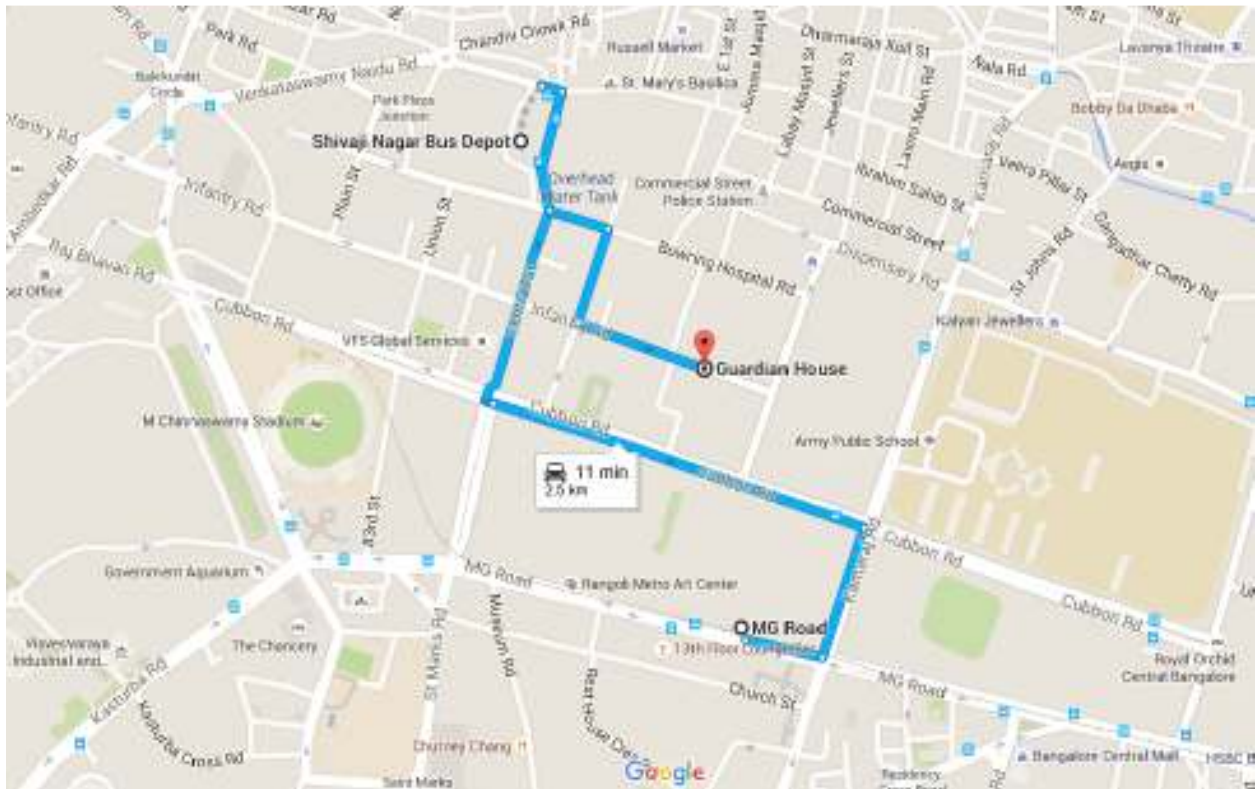
Going forward as the pandemic sweeps across India and lockdowns are the order of the day, our operations may be impacted adversely. Despite these challenges the Pecos brand is supported by an extremely loyal customer base. We are confident that once the lockdown restrictions are lifted the company will bounce back in both turnover and profitability.

We are grateful for the trust and faith you, the shareholders have placed in us. I would also like to place on record my appreciation to the management and staff of your company who have been working tirelessly and our clients and vendors who continue to be our partners in success.

Yours Sincerely
Liam Norman Timms
Whole Time Director
(DIN: 06453032)

ROUTE MAP

Venue: 139, 2nd Floor, Guardian House (Gurumurthy Bhavan),
Infantry Road, Bengaluru – 560001.



Landmark: Safina Plaza

Distance from **Shivaji Nagar Bus Stand:** 800m

Distance from **M.G. Road Metro Station:** 2.5 km

NOTICE CONVENING ANNUAL GENERAL MEETING

Notice is hereby given that **Fifteenth Annual General Meeting** of the Members of **Pecos Hotels and Pubs Limited** will be held on **Thursday, the 3rd day of September, 2020** at **11:00 A. M. at No. 139, 2nd Floor, Guardian House (Gurumurthy Bhavan), Infantry Road, Bengaluru – 560001** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at **March 31, 2020** and Statement of Profit and Loss Account for the Financial Period ended as on that date along with the Directors Report and Auditors Report thereon.
2. To appoint a Director in place of Mr. Liam Norman Timms, who retires by rotation and being eligible offers himself for re-election.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that, in accordance with the provisions of Section 139 and 142 of the Companies Act, 2013, Messrs. Phillipos & Co., Chartered Accountants (Firm Registration no. 002650S), be and are hereby appointed as the Auditors of the Company from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the Twentieth Annual General Meeting at such terms and remuneration as may be agreed upon to conduct the Statutory Audit of the Company.”

SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass the following resolution as an Special Resolution:-**

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015, this meeting hereby approves the re-appointment of Mr. Koilpillai Joseph Davaraj (DIN: 01931821) as an Independent Director of the Company for a period of five years with effect from 25th March, 2020, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statues, rules, regulations or guidelines.”

5. To consider and, if thought fit, to pass the following resolution as an Special Resolution:-

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015, this meeting hereby approves the re-appointment of Mr. Lloyd John Pereira (DIN: 05207676) as an Independent Director of the Company for a period of five years with effect from 25th March, 2020, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statues, rules, regulations or guidelines.”

6. To consider and, if thought fit, to pass the following resolution as an Special Resolution:-

“Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015, this meeting hereby approves the re-appointment of Ms. Nina Nayar (DIN: 02874239) as an Independent Director of the Company for a period of five years with effect from 25th March, 2020, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statues, rules, regulations or guidelines.”

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“**RESOLVED THAT** Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Liam Timms [DIN: 06453032], Whole Time Director of the Company.”

**By Order of the Board of Directors
For Pecos Hotels and Pubs Limited**

Date: 11.08.2020
Place: Bengaluru

Rajiv Kumar Sharma
Company Secretary & Compliance Officer

NOTES:

The Explanatory Statement pursuant to sub-section (1) of Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto and forms part of the Notice.

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE FOR HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of Proxy, in order to be effective, should be deposited at the Corporate Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting. A proxy form is annexed to this report.
3. A Person can act as Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Transfer Books of the Company will remain closed from **Monday 31st, August to Thursday 3rd September, 2020 (both days inclusive).**
6. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company's Registrar and Transfer Agent for assistance in this regard.
7. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. Members holding shares in electronic mode are requested to intimate all changes pertaining to their registered email id, bank details, mandates, nominations, etc. to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's record which will help the Company and its Registrar and Transfer Agents, M/s Link Intime (India) Private Limited to provide efficient and better service to the Members. Members holding shares in Physical form are requested to intimate such changes to M/s Link Intime (India) Private Limited.

The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar and Transfer Agent.

9. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
10. Members are requested to bring their copies of the Annual Report to the Meeting.
11. The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing circulars allowing paperless compliances by companies through electronic mode. Further, in line with recent circular issued by the Securities Exchange Board of India (SEBI) and consequent changes in the listing agreement, the Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2019-20 will also be available on the Company’s website viz. www.pecospub.com.
12. The route map showing directions to reach the venue of the Meeting is annexed.
13. As per Notification issued by Ministry of Corporate Affairs, with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from E-Voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing E-Voting facility to its shareholders.
14. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 3:

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the members, the appointment of Messrs. Phillipos & Co., Chartered Accountants (Firm Registration no. 002650S), as the Auditors of the Company for a period of five years from the conclusion of this GM till the conclusion of the 20th AGM.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found Phillipos & Co. to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Messrs. Phillipos & Co. have given their consent to act as the auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

ITEM NO. 4, 5 & 6:

The Members of the Company on 25th March, 2015 approved the appointment of Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar as Independent Directors of the Company for a period of five years with effect from 25th March, 2015. Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar have completed their respective terms on 24th March, 2020.

The Board of Directors of the Company ('the Board') at the meeting held on 15.04.2020, on the recommendation of the Nomination & Compensation Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar as Independent Directors of the Company with effect from 25th March, 2020, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment.

The Committee and the Board are of view that, given the knowledge, experience and performance of Mr. Davaraj, Mr. Pereira and Ms. Nayar, and contribution to the Board processes by them, their continued association would benefit the Company. Declaration have been received from Mr. Davaraj, Mr. Pereira and Ms. Nayar that they meet the criteria of Independence prescribed under section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Davaraj, Mr. Pereira and Ms. Nayar fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and they are independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Davaraj, Mr. Pereira and Ms. Nayar.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Mr. Davaraj, Mr. Pereira and Ms. Nayar have been received by the Company, and consents have been filed by Mr. Davaraj, Mr. Pereira and Ms. Nayar pursuant to Section 152 of the Act.

Mr. Davaraj, Mr. Pereira and Ms. Nayar, and their relatives, are interested in the Special Resolutions relating to their respective re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Special Resolutions.

The Board recommends these Special Resolutions for your approval.

ITEM NO. 7:

Revision in the remuneration of Mr. Liam Timms (DIN: 06453032), Whole Time Director of the Company.

“RESOLVED THAT Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Liam Timms [DIN: 06453032], Whole Time Director of the Company.”

Salary & Perquisites:

1	Remuneration: Rs. 80,000/- per month w.e.f. September 01, 2020.
2	Other benefits as applicable to the employees of the Company.

Other Terms and Conditions:

The terms and conditions of appointment of Whole Time Director of the Company may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within applicable limits of the Companies Act, 2013.

**By Order of the Board of Directors
For Pecos Hotels and Pubs Limited**

**Date:11.08.2020
Place: Bengaluru**

**Rajiv Kumar Sharma
Company Secretary & Compliance Officer**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the **15th Annual Report** and the Company's Audited Accounts for the Financial Year ended **March 31, 2020**.

1. FINANCIAL RESULTS:

Particulars	2019-2020	2018-2019
Revenue from Operations	811.17	747.88
Other Income	4.76	4.00
Total Revenue	815.93	751.88
Less: Total Expenses	774.34	693.12
Profit before tax	41.59	58.76
Tax Expenses	11.22	17.99
Profit after tax	30.37	40.77
Earning per equity share- Basic & Diluted	2.32	3.11

2. DIVIDEND:

In view of the rapid expansion of the Company it would be prudent to reinvest the profit into the Company at this stage. In view of this Directors have not recommended any dividend on equity shares for the year under review.

3. REVIEW OF OPERATIONS:

During the year under review, Revenue from Operations of the Company was ` 811.17 Lakhs as compared to ` 747.88 Lakhs in the corresponding previous year. The Company earned a profit after tax of ` 30.37 lakhs as compared to ` 40.77 lakhs in the previous year. The Company's reserve and surplus increased from ` 296.55 Lakhs to ` 311.13 Lakhs.

4. DEPOSITS:

Your Company has not accepted any deposits within the meaning of section 73 of the Companies, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

5. SHARE CAPITAL:

At present, the Company has only one class of shares – equity shares with face value of Rs. 10 each. The paid up share capital of the Company is Rs. 130.98 Lacs. Divided into 13,09,875 equity shares of Rs. 10/- each

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

6. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES:

As on date the Company does not have any subsidiary, joint venture or associate company.

7. CHANGES IN NATURE OF BUSINESS:

There is no significant change made in the nature of the company during the financial year.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loans, guarantees or Investments, if any, covered under the provision of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such orders have been passed by the Regulators/ Courts or Tribunals which can impact the going concern status and company's operation in future.

10. DETAILS OF ENERGY TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Conservation of Energy:

The Company requires energy for the purpose of general lighting , adequate measures for the conservation of energy are being undertaken by the Company through the exercise of general checks and controls.

(b) Research and Development:

The company has made efforts to develop food preparation practices that minimize the use of energy

(c) Technology Absorption, Adaption and Innovation:

(i) Efforts made:

The company has implemented food preparation techniques of the highest standard and proper storage facility to control the wastage of raw materials and semi prepared food and also efforts are made to develop the process that reduce energy consumptions.

(ii) Benefits derived as a result of above efforts:

The above efforts resulted in client enjoying a better quality product that is delivered to them quicker and also resulted in reduction of cost of production and enhancing higher margin.

(d) Foreign Exchange Earnings and outgo:

Your company does not have any foreign exchange earnings and outgo during the year under review.

11. EXTRACTS OF ANNUAL RETURN:

The extracts of Annual Return to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, in MGT-9 is attached herewith as **Annexure I**.

12. RISK MANAGEMENT:

The Company has established a well-defined process of risk management, wherein the identification, analysis and assessment of the various risks, measuring of the probable impact of such risks, formulation of risk mitigation strategy and implementation of the same takes place in a structured manner. Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. In the opinion of the Board there are no risks which would threaten the existence of the Company.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of your Company has varied executive and non-executive directors including Independent Directors who have wide and varied experience in different disciplines of corporate functioning.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Liam Norman Timms (DIN: **06453032**) retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

Mr. Jimmy Kuruvila, Executive Director & CEO of the Company has resigned with effect from 11th February 2020. The Board placed on record its appreciation for the assistance and guidance provided by Mr. Jimmy Kuruvila during his tenure as the Executive Director & CEO of the Company.

As required under Section 203 of the Companies Act, 2013, the Company has Mr. Liam Norman Timms- Whole-Time Director, Mr. Pradosh Dhanaraj- Executive Director, Mr. Shailesh B. M., Chief Financial Officer and Mr. Rajiv Kumar Sharma as Company Secretary under Key Managerial Personnel of the Company.

14. DECLARATION BY INDEPENDENT DIRECTORS:

The Members of the Company on 25th March, 2015 approved the appointment of Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar as Independent Directors of the Company for a period of five years with effect from 25th March, 2015. Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar have completed their respective terms on 24th March, 2020.

In the opinion of the Board, Mr. Davaraj, Mr. Pereira and Ms. Nayar fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and they are independent of the management of the Company.

Consents for re-appointment as Independent Directors have been received by the Company from Mr. Davaraj, Mr. Pereira and Ms. Nayar under the Act.

Mr. Koilpillai Joseph Davaraj, Mr. Lloyd John Pereira and Ms. Nina Nayar have submitted a declaration that each of them meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

15. MEETING OF BOARD OF DIRECTORS:

During the year under review, 9 Board Meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

SR.NO	Date on which board Meetings were held
1	20-April -2019
2	17-May-2019
3	13-June-2019
4	29-June-2019
5	2-September-2019
6	11-November-2019
7	15-January-2020
8	12-February-2020
9	21-March-2020

16. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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 31st March, 2020 and of the profit and loss of the company for that period;
- iii. The directors have 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;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- vi. 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.

17. CORPORATE SOCIAL RESPONSIBILITY:

Since the Company's Net worth does not exceed ₹ 500 crores or the Company's turnover does not exceed ₹ 1000 crores or the Company's Net Profit does not exceed ₹ 5 Crores for any Financial Year, the provisions of section 135 of the Companies Act, 2013 are not applicable.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 of the Companies Act, 2013 is furnished in form AOC-2 is attached herewith as **Annexure II**.

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

No cases filed during the financial year and their disposal under the Act.

20. VIGIL MECHANISM POLICY

Your Company has established a reputation for conducting business with integrity and has zero tolerance for any act /form of unethical behavior. In view of this, The Audit Committee of the Board oversees the functioning of this policy. Details of this policy is available on the company's website at www.pecospubs.com

21. AUDITORS:

Pursuant to provisions of section 139 of the Companies Act, 2013 and the rules framed there under, M/s Phillipos & Co., Chartered Accountants were appointed as Statutory Auditors of the company at the Extraordinary General Meeting of the company held on 5th June 2020 subject to approval by the shareholders at the Annual General Meeting held on 3rd September, 2020 of the Company for a term of five consecutive years.

22. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an **Annexure III** which forms part of this report.

23. CORPORATE GOVERNANCE

The Company has taken adequate steps to adhere to all the stipulations laid down under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance included as a part of this Annual Report is given in **Annexure-IV**.

Certificate from the Practicing Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under the SME Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Annual Report.

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report is given as an **Annexure V** which forms part of this report.

25. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in operation was observed.

26. BOARD EVALUATION:

The Board has carried out an evaluation of its own performance, the directors individually as well as the working of its Committees.

27. USE OF PROCEEDS:

The proceeds from the Issue of the Company stated in the Prospectus/ Offer Document has been fully utilized for the purpose for which they were raised and there is no deviation in the utilization of proceeds.

28. DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER / PARTICULAR OF EMPLOYEES:

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:**

Name of the Directors	Ratio to median remuneration
Executive Directors	
Mr. Liam Norman Timms	3.01:1
Mr. Jimmy Kuruvila	9.45:1
Mr. Pradosh Dhanaraj	2.77:1

For this purpose, sitting fees paid to the directors has not been considered as Remuneration.

- b. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year:**

Name	Designation	% Increase/ Decrease
Mr. Liam Norman Timms	Whole-time Director	42.86 %
Mr. Jimmy Kuruvila	Director & CEO	8 %

- c. **the percentage increase in the median remuneration of employees in the financial year: NIL**
- d. **the number of permanent employees on the rolls of company: 28**

- e. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** NIL
- f. **The key parameters for any variable component of remuneration availed by the directors:** Not Applicable
- g. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

29. ACKNOWLEDGEMENT:

The Board of Directors gratefully acknowledges the assistance and co-operation received from the Banks and all statutory and non statutory agencies for their cooperation. The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company.

The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

For and on behalf of the Board

**Liam Norman Timms
Whole Time Director
(DIN: 06453032)**

**Date: 11.08.2020
Place: Bengaluru**

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON
31ST MARCH, 2020

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	L55101KA2005PLC035603
ii.	Registration Date	14/02/2005
iii.	Name of the Company	PECOS HOTELS AND PUBS LIMITED
iv.	Category/Sub-Category of the Company	Company limited by shares Indian Non-Government Company
v.	Address of the Registered of office and contact details	# 34, Rest House Road, Bangalore, Karnataka- 560001
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

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:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Meal serving services with full restaurant services	99633101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
NOT APPLICABLE					

IV. SHARE HOLDING 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 i.e., 01.04.2019				No. of Shares held at the end of the year i.e., 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	779997	0	779997	59.5474	779997	0	779997	59.5474	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	70875	0	70875	5.4108	70875	0	70875	5.4108	0
e) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub- total (A)(1)	850872	0	850872	64.9582	850872	0	850872	64.9582	0
2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)	850872	0	850872	64.9582	850872	0	850872	64.9582	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0

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Category of Shareholders	No. of Shares held at the beginning of the year i.e., 01.04.2019				No. of Shares held at the end of the year i.e., 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corporate	58000	0	58000	4.4279	76000	0	76000	5.8021	1.3742
b) Individuals:									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	147003	0	147003	11.2227	162003	0	162003	12.3678	1.1451
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	214000	0	214000	16.3374	180000	0	180000	13.7418	(2.5956)
c) Others (Specify)	0	0	0	0	0	0	0	0	0
(i) HUF	29000	0	29000	2.2140	29000	0	29000	2.2140	0
(ii) Clearing Member	11000	0	11000	0.8398	0	0	0	0	(0.8398)
Sub-total (B)(2)	459003	0	459003	35.0417	459003	0	459003	35.0417	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	459003	0	459003	35.0417	459003	0	459003	35.0417	0.0000
TOTAL (A) + (B)	1309875	0	1309875	100.00	1309875	0	1309875	100.00	0.0000
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	1309875	0	1309875	100.00	1309875	0	1309875	100.00	0

ii) Shareholding of Promoters (including Promoter Group)

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in share holding during 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.	Collin Richard Timms	464995	35.4992	0	464995	35.4992	0	0.0000
2.	Olinda Timms	315000	24.0481	0	315000	24.0481	0	0.0000
3.	Delfin International Limited	70875	5.4108	0	70875	5.4108	0	0.0000
4.	Liam Timms	2	0.0002	0	2	0.0002	0	0.0000
Total		850872	64.9583	0	850872	64.9583	0	0

iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)

Sl. No.	particulars	Shareholding 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	Collin Richard Timms				
	At the beginning of the year	464995	35.4992	464995	35.4992
	Increase/(Decrease) in Share holding during the year:	-	-	-	-
	At the End of the year	464995	35.4992	464995	35.4992
2	Olinda Timms				
	At the beginning of the year	315000	24.0481	315000	24.0481
	Increase/(Decrease) in Share holding during the year:	-	-	-	-
	At the End of the year	315000	24.0481	315000	24.0481
3	Delfin International Ltd.				
	At the beginning of the year	70875	5.4108	70875	5.4108

Sl. No.	particulars	Shareholding 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
	Increase/(Decrease) in Share holding during the year:	-	-	-	-
	At the End of the year	70875	5.4108	70875	5.4108
4	Liam Norman Timms				
	At the beginning of the year	2	0.0002	2	0.0002
	Increase/(Decrease) in Share holding during the year:	-	-	-	-
	At the End of the year	2	0.0002	2	0.0002

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Shareholder	Particulars	Date	Reason	Shareholding		Cumulative shareholding during the year	
					No. of Shares	% of total shares	No. of Shares	% of total shares
1	WEALTH FIRST PORTFOLIO MANAGERS	At the beginning of the year	01.04.2019	-	3000	0.2290	3000	0.2290
		Changes during the year						
			05.04.2019	PURCHASE	42000	3.2064	45000	3.4354
			10.05.2019	SALE	(2000)	0.1526	43000	3.2828
			31.05.2019	SALE	(1000)	0.0764	42000	3.2064
			07.06.2019	SALE	(1000)	0.0763	41000	3.1301
		At the end of the year	31.03.2020	-	41000	3.1301	41000	3.1301
2	SMITA JAIN	At the beginning of the year	01.04.2019	-	30000	2.2903	30000	2.2903

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		Changes during the year	-	-	-	-	-	
		At the end of the year	31.03.2020	-	30000	2.2903	30000	2.2903
3	DINESH KAUSHIK	At the beginning of the year	01.04.2019	-	30000	2.2903	30000	2.2903
		Changes during the year	-	-	-	-	-	
		At the end of the year	31.03.2020	-	30000	2.2903	30000	2.2903
4	PALASH TYAGI	At the beginning of the year	01.04.2019	-	30000	2.2903	30000	2.2903
		Changes during the year	-	-	-	-	-	
		At the end of the year	31.03.2020	-	30000	2.2903	30000	2.2903
5	DIPAK SEN	At the beginning of the year	01.04.2019	-	27000	2.0613	27000	2.0613
		Changes during the year	-	-	-	-	-	
		At the end of the year	31.03.2020	-	27000	2.0613	27000	2.0613
6	ARUN KUMAR JAIN	At the beginning of the year	01.04.2019	-	27000	2.0613	27000	2.0613
		Changes during the year	-	-	-	-	-	
		At the end of the year	31.03.2020	-	27000	2.0613	27000	2.0613

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7	SANTOSH KUMAR AGARWAL	At the beginning of the year	01.04.2019	-	15000	1.1451	15000	1.1451
		Changes during the year	-	-	-	-	-	-
		At the end of the year	31.03.2020		15000	1.1451	15000	1.1451
8	SAILESH KUMAR DAGA	At the beginning of the year	01.04.2019	-	13000	0.9925	13000	0.9925
		Changes during the year	-	-	-	-	-	-
		At the end of the year	31.03.2020	-	13000	0.9925	13000	0.9925
9	PANTOMATH STOCK BROKERS PRIVATE LIMITED	At the beginning of the year	01.04.2018	-				
		Changes during the year	23.08.2019	PURCHASE	12000	0.9161	12000	0.9161
		At the end of the year	31.03.2020	-	12000	0.9161	12000	0.9161
10	STAR FINCAP PRIVATE LIMITED	At the beginning of the year	01.04.2019	-	12000	0.9161	12000	0.9161
		Changes during the year	-	-	-	-	-	-
		At the end of the year	31.03.2020	-	12000	0.9161	12000	0.9161

*Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

S. No.	Name	Shareholding 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.	Mr. Liam Norman Timms	2	0.0002	2	0.0002
2.	Mr. Pradosh Dhanraj	3000	0.2290	5000	0.3817
3.	Mr. Koilpillai Joseph Davaraj	-	-	1000	0.0763

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	69903	0	69903
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	69903	0	69903
Change in Indebtedness during the financial year				
- Addition	0	0	0	0
- Reduction	0	(69859)	0	(69859)
Net Change	0	(69859)	0	(69859)
Indebtedness at the end of the financial year				
i) Principal Amount	0	44	0	44
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	44	0	44

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in lakhs)

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. Liam Norman Timms Whole-time Director	Jimmy Kuruvila, ED	Pradosh Dhanraj	
	Gross salary				
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.55	16.20	5.10	26.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify	0	0	0	0
5.	Others, please specify	0	1.20	0	1.20
6.	Total (A)	5.55	17.40	5.10	28.05
7.	Ceiling as per the Act	0	0	0	0

B. Remuneration to directors:(Sitting Fees)

S. No.	Particulars of Remuneration	Director			Total Amount
		Lloyd John Pereira	Koillpillai Joseph Davaraj	Nina Nayar	
	<u>Independent Directors</u>				
1.	·Fee for attending board committee meetings	30,000	30,000	21,750	81,750
	·Commission	-	-	-	
	·Others, please specify	-	-	-	
	Total (1)	30,000	30,000	21,750	81,750
	<u>Other Non-Executive Directors</u>				
2.	·Fee for attending board committee meetings	-	-	-	

	-Commission	-	-	-	-
	-Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
3.	<u>Other Executive Directors</u>	Liam Norman Timms	Jimmy Kuruvila	Pradosh Dhanraj	
		20,250	11,000	15,000	46,250
	Total (B)=(1+2+3)				
	Total Managerial Remuneration/Sitting Fees	-	-	-	1,28,000
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD / Manager/ WTD:

(in lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act,1961	5.16	0	5.16
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	-others, specify...	0	0	0
5.	Others, specify	0	3.60	3.60
	Total	5.16	3.60	8.76

VIII. 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	-	-	-	-	-
Punishment	-	-	-	-	-
-	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FORM AOC - 2

**(Pursuant to clause (h) of sub section 3 of section 134 of the Companies Act, 2013
and Rule 8 (2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis –
Not Applicable
2. Details of material contracts or arrangements or transactions at arm's length basis.

Name of the Related Parties	Mr. Collin Richard Timms & Ms. Olinda Timms
Nature of Relationship	Director and Promoter of the Company
Nature of contracts/ arrangements/ transactions	Leasing of Property
Duration of contracts/ arrangements/ transactions	36 months from February 01, 2018
Salient terms of contract/ arrangements/ transactions including the value, if any.	Not Applicable
Value of contracts/ arrangements/ transactions	Rs. 143880 pm
Date of approval by Board	-

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020.
***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration Personnel) Rules, 2014]***

To,
The Members,
Pecos Hotels and Pubs Limited
CIN: L55101KA2005PLC035603
No: 34, Rest House Road, Bangalore (KA) 560001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pecos Hotels And Pubs Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended **31st March 2020**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial Year ended **31st March 2020**, according to the provisions of:

- i. The companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **[Not Applicable as the Company has not made any Foreign exchange during the period under review]**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI' Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Share and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further share capital during the period under review];**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
 - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as there was no reportable event during the period under review];**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable as there was no reportable event during the period under review];**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement entered into by the Company with BSE Limited (SME Platform);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc;

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All the decisions of the Board and Committees thereof were carried out with requisite majority;

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

- As informed, the company has responded appropriately to notices received from various statutory/ regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were no specific events/ actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

For,
Vinay Agrawal & Associates,
(Company Secretaries)

Vinay Mangal Agrawal
(Proprietor)
M. No. : A45715
COP No.: 16680

Date: 10.07.2020
Place: Raipur
Encl: Annexure A

Annexure A

To
The Members
Pecos Hotels and Pubs Limited

Our Secretarial Audit Report for the financial year 2019-20 is to read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For,
Vinay Agrawal & Associates,
(Company Secretaries)

Vinay Mangal Agrawal
Proprietor
M. No. : A45715, COP No.: 16680
Date: 10.07.2020
Place(Raipur)

CORPORATE GOVERNANCE REPORT

On September 2, 2015, The Securities and Exchange Board of India (SEBI) had notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 replacing the erstwhile Listing Agreement, effective from December 1, 2015. The new Listing Agreement is aimed at consolidating and streamlining the provisions of existing listing agreements for different segment of the capital markets.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. The Company's has been diligently developing best practices to ensure its responsibility to the stakeholders.

The Company believes that good corporate governance practices help to enhance performance and valuation of the Company. The Company also respects the right of its shareholders to information on the performance of the Company and considers itself as trustee of its shareholders.

I. BOARD OF DIRECTORS

The Board of Directors consists of optimum combination of Executive Directors, Independent Directors and Women Directors.

• **Composition of Board of Directors:**

The Composition of Board of Directors is as follows:

S. No.	Name of Director	Category
2.	Mr. Liam Norman Timms	Whole-time Director
4.	Mr. Pradosh Dhanaraj	Executive Director
6.	Ms. Nina Nayar	Non-Executive Independent Director
7.	Mr. Koilpillai Joseph Davaraj	Non-Executive Independent Director
8.	Mr. Lloyd John Pereira	Non-Executive Independent Director

• **Number of Board Meetings in the year:**

The Board of Directors met 9 times during the financial year 2019-20. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013. The dates of the Board meetings held are as follows:

Sr. No.	Date on which Board Meetings were held
1.	20-April -2019
2.	17-May-2019
3.	13-June-2019
4.	29-June-2019
5.	2-September-2019
6.	11-November-2019
7.	15-January-2020
8.	12-February-2020
9.	21-March-2020

• **Attendance of Directors at Board meetings held in the previous year is as follows:**

S. No.	Name of Director	Category of Director	No. of Board Meetings Attended	Attendance at the Last AGM	No. of Directorships in other Public Companies	No. of Committee/ Membership in which he/she is a Member or Chairperson
2.	Mr. Liam Norman Timms	Whole-time Director	9	YES	None	1
2.	Mr. Pradosh Dhanraj	Executive Director	9	YES	None	None
3.	Mr. Jimmy Kuruvila	Executive Director	9	YES	None	None
5.	Ms. Nina Nayar	Independent Director	9	YES	1	1
6.	Mr. Koilpillai Joseph Davaraj	Independent Director	9	YES	None	3
7.	Mr. Lloyd John Pereira	Independent Director	9	YES	None	3

• **Disclosure of relationship between Directors:**

None of the directors are related to each other.

• **Shares held by Non- executive Directors as on 31st March, 2019:**

S. No.	Name of Director	No. of Shares held
1.	Mr. Koilpillai Joseph Davaraj	1000

• **Independent Directors Meeting:**

In Compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; the Independent Directors Meeting of the Company was held on 20th March, 2020.

II. AUDIT COMMITTEE

The Board of Directors of the Company has constituted an Audit Committee consisting of 3 Directors, out of which 2 are Non – Executive Independent Directors.

• **No. of Meetings held:**

During the year 5 Audit Committee meetings were held i.e., on 29.06.2019, 21.08.2019, 30.10.2019, 05.02.2020 and 21.03.2020.

• **Composition of Audit Committee:**

S. No.	Name	Designation	Position in Committee	No. of Meetings Attended
1.	Mr. Lloyd John Pereira	Non – Executive Independent Director	Chairman	5
2.	Mr. Liam Norman Timms	Whole-Time Director	Member	5
3.	Mr. Koilpillai Joseph Davaraj	Non – Executive Independent Director	Member	5

The Company Secretary acts as the Secretary of the Committee.

• **Role of the Audit Committee:**

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;

- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 21) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 22) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- 23) Examination of the financial statement and the auditors' report thereon;
- 24) Approval or any subsequent modification of transactions of the company with related parties;

- 25) Scrutiny of inter-corporate loans and investments;
- 26) Valuation of undertakings or assets of the company, wherever it is necessary;
- 27) Evaluation of internal financial controls and risk management systems;
- 28) Monitoring the end use of funds raised through public offers and related matters;
- 29) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- 30) The Audit Committee shall have authority to investigate into any matter in relation to the items specified (as mentioned at S.No. 21 to 28 above) or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- 31) The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- 32) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee; and
- 33) Resolve any disagreements between management and the auditor regarding financial reporting.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board of Directors of the Company has constituted Stakeholders Relationship Committee consisting of 3 Directors, 2 of whom are Non-Executive Independent Directors.

• Number of Meetings held:

During the year 2 Stakeholders Relationship Committee meetings were held i.e., on 17.05.2019 and 26.11.2019.

Composition of Shareholders Relationship Committee:

S. No.	Name	Designation	Position in Committee	No. of Meetings Attended
1.	Mr. Koilpillai Joseph Davaraj	Non – Executive Independent Director	Chairman	2
2.	Mr. Lloyd John Pereira	Non – Executive Independent Director	Member	2
3.	Mr. Liam Norman Timms	Whole-time Director	Member	2

The Company Secretary shall act as a Secretary to the Stakeholders Relationship Committee.

• **Terms of reference:**

1. Redressal of shareholders'/investors 'complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of the Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

• **Name, Designation and Address of Compliance Officer:**

Mr. Rajiv Kumar Sharma
Company Secretary and Compliance Officer
No. 139, 2nd Floor,
Guardian House (Gurumurthy Bhavan)
Infantry Road,
Bengaluru – 560001
Telephone: (080) 25580971

• **Details of Investors Complaints:**

During the year no complaints were received from investors, which were not replied/resolved to the satisfaction of the investors and none of the complaints is pending as on date.

There was no request for Share Transfer and Dematerialization pending as on March 31, 2020.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee consisting of 3 Directors, all of whom are Non-Executive- Independent Directors.

• **No. of Meeting held during the year:**

During the year one Nomination and Remuneration Committee was held on 03.05.2019.

• **Composition of Nomination and Remuneration Committee:**

S. No.	Name	Designation	Position in Committee	No. of Meetings Attended
1.	Ms. Nina Nayar	Non – Executive Independent Director	Chairman	1
2.	Mr. Koilpillai Joseph Davaraj	Non – Executive Independent Director	Member	1
3.	Mr. Lloyd John Pereira	Non – Executive Independent Director	Member	1

The Company Secretary shall act as a Secretary to the Nomination and Remuneration Committee.

• **Terms of Reference:**

1. The Committee to identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
2. Recommend to the Board their appointment and removal,
3. Carry out evaluation of every director's performance.
4. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
5. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
7. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors,

including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

8. To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
9. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

• **Details of Remuneration to Directors during the year 2019-20:**

Name of Director	Yearly Remuneration (Rs. in Lakhs)
Mr. Liam Norman Timms	5.55
Mr. Jimmy Kuruvila	17.40
Mr. Pradosh Dhanaraj	5.10
Total	28.04

V. GENERAL BODY MEETINGS:

• **Annual General Meeting ("AGM"):**

Financial Year	Date	Time	Venue
2013-14	29 th September, 2014	12:00 P.M.	No. 189/1, 1 st , 2 nd , 3 rd and 4 th Floor, Brigade Road, Bengaluru, Karnataka - 560001
2014-15	7 th August, 2015	11:30 A.M.	
2015-16	24 th September, 2016	11.A.M.	At No. 139, 2 nd Floor, Guardian House (Gurumurthy Bhavan), Infantry Road, Bengaluru - 560001
2016-17	30 th September, 2017	11A.M	At No. 139, 2 nd Floor, Guardian House (Gurumurthy Bhavan), Infantry Road, Bengaluru - 560001
2017-18	24 th September, 2018	11:00 A.M.	At No. 139, 2 nd Floor, Guardian House (Gurumurthy Bhavan), Infantry Road, Bengaluru - 560001

2018-19	29 th July, 2019	11:00 A.M.	At No. 139, 2 nd Floor, Guardian House (Gurumurthy Bhavan), Infantry Road, Bengaluru - 560001
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• **Special Resolution:**

No special resolution was passed by the Company in any of its previous Three AGMs.

• **Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern.**

During the year under review, no special resolution has been passed through the exercise of postal ballot.

• **Details of special resolution proposed to be conducted through postal ballot:**

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on September 3, 2020.

VI. MEANS OF COMMUNICATION:

Financials, Shareholding Pattern, Notices and other information is regularly been updated on the website of the Company i.e. www.pecoshotels.com and also on the BSE SME website.

Shareholders who are eligible to receive Notice of Annual General Meeting and Annual report is been provided with the same through electronic means (E-mail) and those whose E-mail is not registered are being provided physical copy.

VII. GENERAL SHAREHOLDER INFORMATION:

• **Annual General Meeting for the Financial Year 2019-20:**

Date : 3rd September, 2020
Day : Thursday
Time : 11:00 A.M.
Venue : #139, 2nd Floor,
Guardian House (Gurumurthy Bhavan),
Infantry Road,
Bengaluru - 560001

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on September 3, 2020.

• **Financial Year:**

The Financial year of the company is for period of 12 months from 1st April to 31st March. The financial result of the company will be declared as per the following schedule:

Particulars	Tentative schedule
Half yearly unaudited Results	Within 45 days from 30 th September, of the said FY
Annual audited Result	Within 60 days from 31 st March of the said FY

• **Dividend Payment:**

The Board of Directors of the company has not recommended any dividend for the financial year ended on 31st March, 2020.

• **Listing on Stock Exchange:**

The Company got listed on Bombay Stock Exchange SME platform, w.e.f. 11th August, 2015. Scrip Code and Name: 539273 – PECOS

The Listing fee for the year 2019 –20 has been paid by the Company to BSE.

• **Market Price Data of Each Month:**

Month	High	Low	Volume
April-2019	71.00	65.00	46,000
May-2019	54.75	35.20	11,000
June-2019	50.25	43.55	3,000
July-2019	-	-	-
August-2019	-	-	-
September-2019	60.75	55.25	2,000
October-2019	-	-	-
November-2019	-	-	-
December-2019	-	-	-
January-2020	-	-	-
February-2020	60.10	60.10	1,000
March-2020	60.00	59.90	11,000

• **Dematerialization of Shares:**

As on 31st March, 2020 all 13,09,875 Equity Shares of the Company were held in dematerialized form.

• **Shareholding Pattern as on 31st March, 2020:**

(i) Distribution of equity shareholding as on March 31, 2020:

Number of Equity Shares held	Number of Shareholders	Number of Shares	% of Capital
1-500	03	4	0.0003
501-1000	15	15000	1.1451
1001-2000	04	8000	0.6107
2001-3000	25	75000	5.7257
3001-4000	03	11001	0.8399
4001-5000	03	15000	1.1451
5001-10000	09	64000	4.8860
10001 and above	16	1121870	85.6471
Total	78	1309875	100

(ii) Categories of equity shareholders as on March 31, 2020:

Category	Number of Equity Shares held	Percentage of holding
Promoters and Promoter Group	850872	64.9582
Clearing Member	12000	0.9161
Hindu Undivided Family	29000	2.2140
Other Bodies Corporate	76000	5.8021
Indian Public	342003	26.1096
Total	1309875	100

• **Registered Office:**

34, Rest House Road,
Bengaluru – 560 001

• **Corporate Office:**

No. 139, 2nd Floor,
Guardian House, Infantry Road,
Bengaluru – 560001

• **Registrar and Transfer Agent:**

Link Intime India Private Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai – 400 083
Tel No : +91 22 49186270 Fax: +91 22 49186060
E-mail id : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

• **Investors / shareholders correspondence:**

Investors / Shareholders may Correspondence with the company at the Corporate Office of the company at #139, 2nd Floor, Guardian House, Infantry Road, Bengaluru – 560001
Contact info. (088) 25580971, E-mail Id- pecoshotels@gmail.com

VIII. OTHER DISCLOSURES:

• **Related Party Transactions:**

All related party transactions are at arm's length and are not in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the Financial Statements.

• **Strictures and Penalties :**

The company has complied with the requirements of the stock exchange, SEBI and other statutory authorities on all matters related to capital markets since its listing on 11th August, 2015. There were no penalties imposed nor any strictures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

• **Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital to reconcile the total capital held, with the National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and the total issued and listed capital. The Audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The report, inter alia, confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total dematerialized shares and those in physical mode.

• **Code of Conduct:**

All the Board members and Senior Management Personnel (as per Uniform Equity Listing Agreement) have affirmed the compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this Annual Report of the Company.

IX. CEO/CFO CERTIFICATION:

The Chief Executive Officer & Chief Financial Officer have certified to the Board in accordance with uniform Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2020 is annexed and forms part of this Report.

X. COMPLIANCE REPORT ON CORPORATE GOVERNANCE:

Pursuant to The SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015, Compliance Report on Corporate Governance is not applicable to our Company as, our Company has been listed on SME Platform

.ANNEXURE V

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENT:

India's Food and Beverage (F&B) industry is valued at USD 50 Billion and contributes almost 3% of the country's GDP. It is also one of the largest employers with 7.3 million people working in the sector. The industry has been growing at a CAGR of nine percent, led by growth from the metros and an increase in private equity investment and venture capital into the sector.

The pandemic declared towards the end of FY 2019 – 2020 has temporarily impacted this industry. As the unlocking continues and business resumes, we believe the industry should rebound.

2. OPPORTUNITIES:

India's Food and Beverage (F&B) Industry has turned vibrant in the past few years. New restaurants entering the market are pushing the boundaries and lifting the profile of 'Indian Food' across the globe. We believe it is only a matter of time before the coveted Michelin Star rating of restaurants includes India in its territories. In the past few years, perhaps the transformation with the greatest impact on the industry has been technology. It has enabled the development of new management tools which has resulted in cost savings and higher operating income for restaurants. Technology has also transformed how the restaurant engages with their customers, through apps, wallets and loyalty programs, to name a few. The advent of cloud kitchens and dark kitchens is the newest concept creating opportunities in this space.

3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

Your company will concentrate on consolidating and growing its well-established brand "PECOS" in markets outside Bangalore and other key cities in India. The company is focusing on cities where we are confident that our brand will be well received and develop its own fan following. There is an ongoing process of research and development in this area, to identify new territories and new product verticals.

4. OUTLOOK

Your Management is positive about the possibilities of growing the PECOS brand in the coming years. Pecos continues to benefit from an extremely loyal customer base that has supported us through the years. In addition, Pecos has been consistently nominated by Times of India as the 'Best Pub' in Bangalore.

5. RISKS AND CONCERNS:

Your company has been dealing with business risks such as competition, attrition, pilferage etc. for decades, and we have developed robust risk mitigation systems to address these issues. Regulatory policy especially with regard to alcoholic beverage is a state subject and varies significantly from one state to another. This remains an area of concern for us. This year, our industry has been impacted by the COVID 19 Pandemic and the subsequent lockdown on economic activity. However, your company has shown resilience during this time and we believe we will come out stronger. We are encouraged by the early signs of customers returning after the unlocking in June. We are confident this positive trend will continue and grow.

6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

After the repeated shifts of the previous year and the successful opening of our outlet in Pune, this fiscal year was a period of consolidation. The four restaurants in Bangalore continue to grow from strength to strength. The four restaurants are positioned in key F&B ecosystems of Bangalore and each one is carving out a niche for itself in this very competitive industry. In Pune the outlet has developed a strong following of loyal customers passionate about music. We expect this outlet will grow from strength to strength. Our growth in revenue for the year 2019-2020 reflects this. However, the marginal decline in profit was a result of the strict lockdown in the country which came into force in March 2020 impacting outlet revenues for one month. We approach the next financial year with caution and continue to use this time to consolidate our operations. We are eager to restart our operations and hope the unlocking of economic activity in the country continues steadily fuelling positive sentiment in the restaurant industry.

7. MATERIAL DEVELOPMENT ON HUMAN RESOURCES:

The F&B business is highly dependent on human capital. Your company is fully seized of this reality and continues to invest in training of existing staff to optimize their potential. Fresh talent is also introduced in the company whenever and wherever possible. Your company enjoys the privilege of having a dedicated loyal work force and long-time employees, in an industry which is plagued by alarming attrition rates. We believe that our commitment to offer the best possible product and service to our clientele is shared by each and every member of our team. This is our tried and tested recipe for success

For and on behalf of the Board

Liam Norman Timms
Whole Time Director
(DIN: 06453032)

Date: 11.08.2020
Place: Bengaluru

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

I, Liam Norman Timms (**DIN: 06453032**), Whole Time Director of **PECOS HOTELS AND LIMITED**, declare that all the Board Members and Senior Management Personnel have complied with the Code of Conduct applicable to them for the financial year ended March 31, 2020.

Place: Bengaluru
Date:11.08.2020

Liam Norman Timms
Whole Time Director
(DIN: 06453032)

CEO/CFO CERTIFICATION

To,
The Board of Directors
PECOS HOTELS AND PUBS LIMITED

I, Liam Norman Timms, the Whole Time Director (DIN: 06453032) of the Company and I, Shailesh B. M., the Chief Financial Officer (CFO) of the Company do hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2020 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material factor or contain statements that might be misleading;
 - i. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Place: Bengaluru
Date: 11.08.2020

Liam Norman Timms
(Whole Time Director)

Shailesh B. M.
(Chief Financial Officer)

PRACTICING COMPANY SECRETARIES REPORT ON CORPORATE GOVERNANCE

To
The Members
PECOS HOTELS AND PUBS LIMITED
CIN-L55101KA2005PLC035603
No. 34, Rest House Road,
Bengaluru - 560001

I have examined all the relevant records of PECOS HOTELS AND PUBS LIMITED ((CIN: L55101KA2005PLC035603) ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the year ended 31st March, 2020 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the financial year ended on 31st March, 2020.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For,
Vinay Agrawal & Associates,
(Company Secretaries)

Vinay Mangal Agrawal
Proprietor
M. No. : A45715, COP No.: 16680
Date: 10.07.2020
Place(Raipur)

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. Pecos Hotels and Pubs Limited

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of Pecos Hotels and Pubs Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, and 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 (hereinafter referred to as "Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") 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 the profit, and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon :

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone 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, the 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 the Management

either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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.

A further description of our responsibilities for the audit of the financial statements is included in Annexure A to this auditor's report. Such description forms integral part of this report.

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 Companies Act, 2013, we give in the 'Annexure B' 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.
 - 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March, 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 C”.
- 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.

- 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 does not have any pending litigations which would impact its financial position as on 31st March 2020.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Phillipos & Co.,
Chartered Accountants
Firm registration number: 002650S

Place: Bengaluru
Date: 17th June, 2020

CA James Joseph
Partner
Membership number: 203604
UDIN: 20203604AAAABV7577

Annexure A to Independent Auditor's report:

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 Companies Act, 2013, 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Phillipos & Co.,
Chartered Accountants
Firm registration number: 002650S

Place: Bengaluru
Date: 17th June, 2020

CA James Joseph
Partner
Membership number: 203604

Annexure B to Independent Auditor's report:

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Pecos Hotels and Pubs Limited of even date)

- (i) According to the information and explanations given to us:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management and there were no material discrepancies noted during such verification.
 - (c) The company does not own any immovable property.
- (ii) The company has conducted physical verification of inventories at reasonable intervals, and no material discrepancies were noted.
- (iii) The Company has not granted loans or advances to any person covered in the register maintained under Section 189 of the Companies Act, 2013 during the year, and accordingly, reporting under clause (iii) of Paragraph 3 of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for business line of the Company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company:
 - (a) Undisputed statutory dues including provident fund, or employees' state insurance, income tax, Goods and services tax, value added tax, cess have been regularly deposited by the company with the appropriate authorities in all case during the year.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, duties of excise, service tax, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

On verification we have observed that the following statutory dues in respect of income tax and value added tax were outstanding for a period more than six months.

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Remarks, if any
Maharashtra Value Added Tax Act, 2002	VAT payable on sale of liquor at pune branch	Rs. 16,611	July 2019 to August 2019	

- (b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods and services tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The company has not taken any loans or borrowings from any banks and hence report under clause (viii) of the Order is not applicable.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year, and hence reporting under clause (ix) of the Order is not applicable
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) 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 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (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 directors of its holding, subsidiary or associate company or person connected with them 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 Phillipos & Co.,
Chartered Accountants
Firm registration number: 002650S

Place: Bengaluru
Date: 17th June, 2020

CA James Joseph
Partner
Membership number: 203604

Annexure C to Independent Auditor's report:

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Pecos Hotels and Pubs Limited of even date)

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 Pecos Hotels and Pubs 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For Phillipos & Co.,
Chartered Accountants
Firm registration number: 002650S

Place: Bengaluru
Date: 17th June, 2020

CA James Joseph
Partner
Membership number: 203604

PECOS HOTELS AND PUBS LIMITED

CIN:L55101KA2005PLC035603

Balance Sheet as at 31st March 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at 31st March, 2020	As at 31st March, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,30,98,750	1,30,98,750
Reserves and surplus	2	3,11,13,191	2,96,54,683
Current liabilities			
Short-term borrowings	3	44	69,903
Trade payables		32,71,985	49,61,334
Other current liabilities	4	11,40,197	20,36,923
Short-term provisions	5	11,19,614	24,81,857
TOTAL		4,97,43,781	5,23,03,450
ASSETS			
Non-current assets			
Fixed assets	6		
Property, plant and equipment		2,00,53,109	1,76,40,375
Intangible assets		10,034	1,39,222
Capital work-in-progress		15,75,247	15,75,247
Deferred tax assets (net)		15,34,338	16,91,052
Long-term loans and advances	7	1,06,73,652	1,11,84,992
Other non-current assets	8	-	4,58,681
Current assets			
Inventories	9	12,61,350	18,02,300
Trade receivables	10	1,74,881	3,10,233
Cash and cash equivalents	11	70,78,930	76,64,017
Short-term loans and advances	12	43,07,784	59,47,299
Other current assets	13	30,74,456	38,90,032
TOTAL		4,97,43,781	5,23,03,450
Accounting policies and other notes	20		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For Phillipos and Co*Chartered Accountants*

Firm Registration Number : 002650 S

CA James Joseph*Partner*

Membership Number : 203604

[Liam Norman Timms]*Director*

DIN : 06453032

[Pradosh Dhanaraj]*Director*

DIN : 08424421

[Shailesh B.M.]

Chief financial officer

[Rajiv Kumar Sharma]

Company Secretary

Bengaluru : 17th June 2020

Bengaluru : 17th June 2020

PECOS HOTELS AND PUBS LIMITED

CIN:L55101KA2005PLC035603

Statement of Profit and Loss for the Year ended 31st March, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
REVENUE			
Revenue from operations	14	8,11,16,958	7,47,87,705
Other income	15	4,76,313	4,00,290
TOTAL REVENUE		8,15,93,271	7,51,87,995
EXPENSES			
Purchases of stock-in-trade		2,78,71,155	2,54,12,421
Changes in inventories	16	5,40,950	(2,99,210)
Employee benefits expense	17	1,95,13,102	1,94,11,893
Finance costs	18	-	6,480
Depreciation and amortisation expense	6	26,94,003	40,57,970
Other expenses	19	2,68,14,562	2,07,22,109
TOTAL EXPENSES		7,74,33,773	6,93,11,663
Profit / (Loss) before tax		41,59,498	58,76,332
Tax expense:			
Current tax expense for current year		9,33,954	24,81,857
Current tax expense relating to prior years		31,198	12,306
Deferred tax expense / (income)		1,56,714	(6,95,338)
PROFIT FOR THE YEAR		30,37,633	40,77,507
Earnings per share (of Rs.10 each)			
Basic		2.32	3.11
Diluted		2.32	3.11

Significant accounting policies and notes to accounts 20

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Phillipos and Co*Chartered Accountants*

Firm Registration Number : 002650 S

CA James Joseph*Partner*

Membership Number : 203604

[Liam Norman Timms]*Director*

DIN : 06453032

[Pradosh Dhanaraj]*Director*

DIN : 08424421

[Shailesh B.M.]

Chief financial officer

[Rajiv Kumar Sharma]

Company Secretary

Bengaluru : 17th June 2020

Bengaluru : 17th June 2020

PECOS HOTELS AND PUBS LIMITED

CIN:L55101KA2005PLC035603

Cash Flow Statement For the Year Ended 31st March, 2020
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	41,59,498	58,76,332
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	26,94,003	40,57,970
Prior period items	-	-
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	-	9,76,621
Interest income	(2,41,369)	(3,95,290)
Interest expense	5,335	-
	<u>24,57,969</u>	<u>46,39,301</u>
Cash Generated from operations before working capital changes	66,17,468	1,05,15,633
<i>Adjustments for:</i>		
(Increase)/decrease in inventories	5,40,950	(2,99,210)
(Increase)/decrease in trade receivables	1,35,352	16,67,389
(Increase)/decrease in short-term loans and advances	7,79,526	26,49,664
(Increase)/decrease in long-term loans and advances	5,11,340	(47,49,700)
(Increase)/decrease in other non-current assets	4,58,681	4,58,686
(Increase)/decrease in other current assets	9,02,049	-
Increase/(decrease) in trade payables	(16,89,350)	6,62,044
Increase/(decrease) in other current liabilities	(8,96,726)	5,29,264
Increase/(decrease) in short-term provisions	1,04,319	-
	<u>8,46,142</u>	<u>9,18,137</u>
Cash generated from operations	74,63,609	1,14,33,770
Taxes paid (net of refunds)	(15,71,725)	(36,66,176)
Net cash generated from operating activities - [A]	58,91,884	77,67,594
B CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of tangible/intangible assets	(49,77,551)	(62,86,531)
Sale proceeds of tangible/intangible assets	-	73,86,085
Interest received	1,54,896	1,56,687
Net cash generated/(used in) from investing activities - [B]	(48,22,655)	12,56,241
C CASH FLOW FROM FINANCING ACTIVITIES:		
Amounts borrowed during the year	-	-
Borrowings taken / (repaid) net	(69,859)	(40,63,741)
Share application money received / (repaid / transferred) net	-	-
Interest paid	(5,335)	-
Dividends paid	(13,09,875)	(5,26,950)
Dividend distribution tax paid	(2,69,249)	(1,07,699)
Net cash used in financing activities - [C]	(16,54,318)	(46,98,390)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	(5,85,089)	43,25,445
Cash and cash equivalents at the beginning of the year	76,64,017	33,38,572
Cash and cash equivalents at the end of the year	70,78,931	76,64,017
Cash and cash equivalents comprise of:		
Cash on hand	8,76,717	16,28,590
Cheques, drafts on hand	-	-
Balances with banks:		
In current accounts	2,84,080	5,17,294
Term deposits with original maturity of less than three months	59,18,133	55,18,133
	<u>70,78,930</u>	<u>76,64,017</u>

PECOS HOTELS AND PUBS LIMITED

CIN:L55101KA2005PLC035603

Cash Flow Statement For the Year Ended 31st March, 2020*(All amounts are in Indian Rupees, unless otherwise stated)*

<u>As at 31st March,</u>	<u>As at 31st March,</u>
<u>2020</u>	<u>2019</u>

Notes:

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements"
- ii) Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

As per our report of even date

For Phillipos and Co*Chartered Accountants*

Firm Registration Number : 002650 S

For and on behalf of the Board of Directors

CA James Joseph*Partner*

Membership Number : 203604

[Liam Norman Timms]**Director****DIN : 06453032****[Pradosh Dhanraj]****Director****DIN : 08424421****[Shailesh B.M.]****Chief financial officer****[Rajiv Kumar Sharma]****Company Secretary**

Bengaluru : 17th June 2020

PECOS HOTELS AND PUBS LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
1 SHARE CAPITAL		
Authorised		
20,00,000 equity shares of Rs.10/- each <i>(Previous year: 20,00,000 equity shares of Rs.10/- each)</i>	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
Issued, subscribed and fully paid up		
13,09,875 equity shares of Rs.10/- each <i>(Previous year: 13,09,875 equity shares of Rs.10/- each)</i>	1,30,98,750	1,30,98,750
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	1,30,98,750	1,30,98,750
2 RESERVES AND SURPLUS		
Securities premium account		
Opening balance	1,69,28,340	1,69,28,340
Add / (less) : Movements during the year:		
Premium on shares issued during the year	-	-
Closing balance	1,69,28,340	1,69,28,340
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,27,26,343	92,83,485
Add / (less) : Movements during the year:		
Profit / (Loss) for the year	30,37,633	40,77,507
Dividend to shareholders	(13,09,875)	(5,26,950)
Dividend distribution tax	(2,69,249)	(1,07,699)
Closing balance	1,41,84,851	1,27,26,343
TOTAL RESERVES AND SURPLUS	3,11,13,191	2,96,54,683
3 SHORT-TERM BORROWINGS		
Loans repayable on demand - from banks		
Unsecured	44	44
Loans and advances from related parties:		
Unsecured	-	69,859
TOTAL SHORT-TERM BORROWINGS	44	69,903
4 OTHER CURRENT LIABILITIES		
Statutory remittances payable	4,33,434	4,17,843
Employee benefits payable	6,14,223	11,72,218
Accrued expenses	92,541	4,46,862
TOTAL OF OTHER CURRENT LIABILITIES	11,40,198	20,36,923

PECOS HOTELS AND PUBS LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31st March, 2020	As at 31st March, 2019
5 SHORT-TERM PROVISIONS		
Provision - Others		
Provision for Expenses	11,19,614	24,81,857
TOTAL OF SHORT-TERM PROVISIONS	11,19,614	24,81,857
7 LONG-TERM LOANS AND ADVANCES		
Security deposits		
Unsecured, considered good	1,05,48,652	1,10,59,992
	1,05,48,652	1,10,59,992
Loans and advances to related parties		
Unsecured, considered good	1,25,000	1,25,000
	1,25,000	1,25,000
TOTAL OF LONG-TERM LOANS AND ADVANCES	1,06,73,652	1,11,84,992
8 OTHER NON-CURRENT ASSETS		
Legal expenses on IPO	-	4,58,681
TOTAL OF OTHER NON-CURRENT ASSETS	-	4,58,681
9 INVENTORIES		
Stock-in-trade	12,61,350	18,02,300
TOTAL INVENTORIES	12,61,350	18,02,300
10 TRADE RECEIVABLES		
Other Trade receivables		
Unsecured, considered good	1,74,881	3,10,233
TOTAL TRADE RECEIVABLES	1,74,881	3,10,233
11 CASH AND CASH EQUIVALENTS		
Balances with banks	2,84,079	5,17,294
Cash on hand	8,76,717	16,28,590
Fixed deposits with banks	59,18,133	55,18,133
TOTAL CASH AND CASH EQUIVALENTS	70,78,930	76,64,017
12 SHORT-TERM LOANS AND ADVANCES		
Loans and advances to employees		
Unsecured, considered good	5,45,584	5,74,975
Prepaid expenses - Unsecured, considered good	1,44,400	1,56,661
Advance Income Tax - Unsecured, considered good	12,14,587	20,74,576
Advances to vendors	23,46,538	31,41,087
Other advances	56,675	-
Balances with government authorities - Unsecured, considered good	-	-
TOTAL SHORT-TERM LOANS AND ADVANCES	43,07,784	59,47,299
13 OTHER CURRENT ASSETS		
Interest accrued on deposits with banks	3,36,525	2,50,052
Advance Paid to Creditors	27,37,931	-
TOTAL OF OTHER CURRENT ASSETS	30,74,456	2,50,052

PECOS HOTELS AND PUBS LIMITED

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31st March, 2020	Year ended 31st March, 2019
14 REVENUE FROM OPERATIONS		
Sale of services :		
Income from sale of food and beverages	8,11,16,958	7,47,87,705
TOTAL REVENUE FROM OPERATIONS	8,11,16,958	7,47,87,705
15 OTHER INCOME		
Interest income	2,41,369	3,95,290
Liabilities not payable written back	2,32,794	-
Other non-operating income (net of expenses directly attributable)	2,150	5,000
TOTAL OTHER INCOME	4,76,313	4,00,290
16 CHANGES IN INVENTORIES		
Inventories at the end of the year:		
Stock-in-trade	12,61,350	18,02,300
	12,61,350	18,02,300
Inventories at the beginning of the year:		
Stock-in-trade	18,02,300	15,03,090
	18,02,300	15,03,090
NET (INCREASE) / DECREASE	5,40,950	(2,99,210)
17 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	1,69,58,689	1,72,51,391
Directors' remuneration	5,55,059	2,50,000
Contributions to provident and other funds	5,80,590	4,93,317
Staff welfare expenses	14,18,764	14,17,185
TOTAL EMPLOYEE BENEFITS EXPENSE	1,95,13,102	1,94,11,893
18 FINANCE COSTS		
Interest expense on:		
Delayed / deferred payment of income tax	-	6,480
TOTAL FINANCE COSTS	-	6,480
19 OTHER EXPENSES		
Bank charges	4,05,455	5,54,920
Power, fuel and water charges	24,95,534	24,14,518
Rent including lease rentals	1,34,32,758	81,35,924
Repairs and maintenance - Office	57,835	3,95,710
Repairs and maintenance - Machinery	7,60,733	31,624
Repairs and maintenance - Others	22,76,603	27,85,935
Registrations, rates and taxes	6,64,387	6,50,115
Communication	1,05,969	1,18,872
Travelling, conveyance, Freight charges	7,96,159	6,94,369
Printing and stationery	2,79,829	1,66,211
Housekeeping and security	2,84,925	1,01,804
Commission and discounts	1,30,624	1,76,620
Business promotion (including Advertisement)	9,44,254	8,06,742
Donations and contributions	-	10,000
Legal and professional	29,47,449	17,02,688
Advances not receivable being written back	95,673	
Payments to auditors		
i) For statutory audit	80,000	55,000
ii) For tax audit	40,000	30,000
Amortisation of legal expenses on Initial public offer	5,19,517	4,58,686
Miscellaneous expenses	4,96,858	4,55,750
Loss on fixed assets sold / scrapped / written off - net (refer Note 22.9)	-	9,76,621
TOTAL OTHER EXPENSES	2,68,14,562	2,07,22,109

PECOS HOTELS AND PUBS LIMITED

Notes to the financial statements for the year ended 31st March, 2020

6. FIXED ASSETS AS AT - AS AT 31-MAR-2020

Particulars	Gross block / Original cost		Accumulated depreciation		Net block	
	As at 31st March, 2019	As at 31st March, 2020	Charge for the year	Eliminated on disposal of assets	As at 31st March, 2020	As at 31st March, 2019
Computers	4,18,819	4,57,648	18,603	-	4,17,511	19,911
Plant and Equipment	2,32,854	2,32,854	17,601	-	2,32,854	17,601
Electrical Equipment	-	5,00,336	47,532	-	4,52,804	-
Furniture and Fixtures	77,71,895	2,57,516	3,79,123	-	54,06,680	27,44,338
Vehicles	12,33,844	12,33,844	2,818	-	12,13,182	23,480
Office equipment	74,16,441	6,17,129	6,50,878	-	54,16,290	26,51,029
Leasehold improvements	1,45,36,435	35,63,741	23,52,420	-	38,00,682	1,21,84,015
	3,16,10,288	3,65,87,889	25,64,817	-	1,65,34,731	1,76,40,375
INTANGIBLE ASSETS						
Goodwill	12,03,971	12,03,971	1,20,397	-	11,93,937	1,30,431
Computer software	45,800	45,800	8,791	-	45,800	8,791
Others (specify nature)	-	-	-	-	-	-
CAPITAL WORK IN PROGRESS	12,49,771	12,49,771	1,29,186	-	12,39,737	1,39,222
	15,75,247	15,75,247	-	-	15,75,247	15,75,247
TOTAL FIXED ASSETS	3,44,35,306	3,94,12,857	26,94,003	-	1,77,74,468	1,93,54,844

FIXED ASSETS AS AT 31-MAR-2019

Particulars	Gross block / Original cost		Accumulated depreciation		Net block	
	As at 31st March, 2018	As at 31st March, 2019	Charge for the year	Eliminated on disposal of assets	As at 31st March, 2019	As at 31st March, 2018
Computers	4,18,819	4,18,819	21,025	-	3,98,908	40,936
Plant and Equipment	2,32,854	2,32,854	6,595	-	2,15,253	24,196
Furniture and Fixtures	70,53,590	77,71,895	9,78,939	-	50,27,557	30,04,972
Vehicles	12,33,844	12,33,844	38,212	-	12,10,364	61,692
Office equipment	58,57,980	74,16,441	15,01,475	-	47,65,412	25,94,043
Leasehold improvements	1,08,98,869	1,45,36,435	13,79,878	-	23,52,420	1,21,84,015
	2,56,95,956	3,16,10,288	39,26,123	11,58,413	1,99,69,914	1,44,93,753
INTANGIBLE ASSETS						
Goodwill	12,03,971	12,03,971	1,20,397	-	10,73,540	2,50,828
Computer software	45,800	45,800	11,450	-	37,009	20,241
Others (specify nature)	-	-	-	-	-	-
CAPITAL WORK IN PROGRESS	7,75,000	12,49,771	1,31,847	-	11,10,549	2,71,069
	15,75,247	15,75,247	-	-	15,75,247	7,75,000
TOTAL FIXED ASSETS	2,77,20,727	3,44,35,306	40,57,970	11,58,413	1,50,80,463	1,55,39,822

Note 20 - Notes to the financial statements for the year ended March 31, 2020

20.1 The Company and nature of its operations:

Pecos Hotels and Pubs Limited (hereinafter referred to as “Pecos” or “the company”) is public limited company incorporated under erstwhile Companies act 1956 having its registered office located at No 34, Rest House Road, Bangalore -560 001. The company is into the business of running of hotels and pubs in Bangalore and Pune. The shares of the company are listed in Bombay stock exchange and registered share transfer agent is Link Intime India Private Limited.

20.2 Summary of significant accounting policies:

a) Basis of preparation of financial statements

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guideline issued by SEBI, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company. All assets and liabilities have been classified as current or noncurrent based on an assumption of 12 months operating cycle.

b) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The

Company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as follows:

Asset	Estimated useful life
Furniture and fixtures	8 years
Office equipment	5 years
Computers	3 years
Plant and machinery	15years
Electrical Fittings	10 years

Leasehold improvements are depreciated on a straight line basis over the period of ten years, being Management's estimation of useful life.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

d) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over their useful lives as follows:

Goodwill	10 years
Software's	4 years

e) Capital work-in-progress:

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

f) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Costs of materials are determined by the FIFO method.

g) Revenue recognition

The company primarily earns revenue from the sale of beer, food and beverages at the outlets. Revenue has been recognized on the following terms:

- i) Revenue from sale of beer, food and beverages is recognized upon sale of goods and rendering of services adjusted for discounts provided to the customers.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and interest rate applicable.

h) Retirement and other benefits to employees

i) Provident fund

The company makes regular monthly contributions to the Provident Fund which is in the nature of defined contribution scheme and such paid/payable amounts are charged against revenue.

ii) Leave encashment / Compensated absences

As per policy of the Company, the Company does not allow any carry forward of accumulated leave balance to next financial year. Therefore no amount has been provided for in the books as at balance sheet date.

i) Foreign currency transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognized in the Statement of Profit and Loss.

j) Accounting for taxes on income

- i) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- ii) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only

when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization

k) Impairment

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

l) Provisions and Contingent Liabilities

A provision is recognized when the Company has a Present obligation as a result of past events 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. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities, if any are disclosed in the Notes.

m) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

20.3 Information on share capital:

All equity shares of the company belong to the same class, carrying equal rights and voting powers. There are no preferences attached to any shares.

- a) Reconciliation of number of shares outstanding at the beginning of the year and at the end of the year is as follows:

Particulars	FY 2019-20	FY 2018-19
Equity shares at the beginning of the year	13,09,875	13,09,875
Add: Shares issued	-	-
Less: Shares bought back	-	-
Balance as at the end of the year	13,09,875	13,09,875

- b) Following are the details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-Mar-2020		As at 31-Mar-2019	
	No. of shares	% of holding	No. of shares	% of holding
Fully paid-up equity shares of Rs. 10/- each:				
Collin Richard Timms	4,64,995	35.50%	4,64,995	35.50%
Olinda Timms	3,15,000	24.05%	3,15,000	24.05%
Delfin International Limited	70,875	5.41%	70,875	5.41%

- c) No shares are reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.
- d) There are no shares that were issued / allotted pursuant to contract without payment being received in cash or by way of bonus shares, and there are no shares bought back till the end of reporting period.
- e) There are no shares with calls unpaid / forfeited shares

20.4 Details relating to Micro, Small and Medium Enterprises, in accordance with the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

Sl	Particulars	As at 31-Mar-2020	As at 31-Mar-2019
(a)	Principal amount remaining unpaid to any supplier	-	-
(b)	Interest due thereon	-	-
(c)	Amount of interest paid by the Company in terms of Section 16 of the MSMED Act	-	-
(d)	Amount of payment made to supplier beyond the appointed day, during the year	-	-
(e)	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 MSMED Act	-	-
(f)	Amount of interest accrued and remaining unpaid as at end of the year	-	-
(g)	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 MSMED Act.	-	-

This disclosure is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. This information is provided by the Management and relied upon by the Auditors.

20.5 Deferred tax assets/liabilities (net):

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Deferred tax assets:		
Provision for bonus	9,441	74,246
Due to difference in WDV as per books and tax purposes	15,25,682	16,16,806
Net deferred tax asset / (liability)	15,35,123	16,91,052

20.6 Capital commitments:

There are no capital commitments pending to be executed as at the end of financial years 2018-19 and 2019-20.

20.7 Contingent liabilities and commitments (to the extent not provided for):

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Contingent liabilities being:		
a) Claims against the company not acknowledged as debt	-	-
b) Bank Guarantees	-	-
c) Other money for which the company is contingently liable	-	-
Commitments being:		
a) Estimated amount of contracts remaining to be executed on capital account	-	-
b) Uncalled liability on shares and other investments partly paid	-	-
c) Other commitments	-	-

20.8 Reclassification of leasehold improvements:

The Company has been incurring costs of improving leasehold properties into restaurants. Such costs have been disclosed in the financial statements till FY 2017-18 as “Pre-operative expenses” under Non-Current Assets. As these are part of property, plant and equipment, such amounts are now reclassified and stated under Note 6 as “Leasehold improvements”. Similarly, costs of amortisation have been disclosed under “Other expenses” in the Statement of Profit and Loss. These are now reclassified and included in Depreciation and amortisation expense. The company’s policy on leasehold improvements has been disclosed in Note 20.2 (c). This reclassification does not have any impact on the Statement of profit and loss.

20.9 Details of Purchased goods:

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Beer	1,44,38,081	1,33,83,233
Food And other beverages	1,34,33,073	1,20,36,614
Total	2,78,46,155	2,54,19,847

20.10 Details of goods sold:

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Beer	4,90,83,139	4,41,07,974
Food And other beverages	3,20,33,819	3,06,79,731
Total	8,11,16,958	7,47,87,705

20.11 Payments to auditors include:

Payments	Year ended 31-Mar-2020	Year ended 31-Mar-2019
As Statutory Auditor	80,000	55,000
For tax Audit	40,000	30,000

Total	1,20,000	85,000
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20.12 Expenditure in foreign currency: None

20.13 Particulars of dividends remitted in foreign currencies to non-resident shareholders: None

20.14 Earnings in foreign exchange: None

20.15 Segment reporting:

As the Company's business activities falls within a single primary business segment and a geographical segment, the disclosure requirements of Accounting Standard 17 "Segment Reporting" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.

20.16 Related party disclosures:

a. Names of related parties and nature of relationship:

i. Key Management Personnel (KMP):

Name of the Key Management Personnel	Nature of relationship
Liam Norman Timms	Whole Time Director
Jimmy Kuruvila	Director & CEO
Pradosh Dhanaraj	Director
Shailesh B.M	Chief Financial Officer
Rajiv Kumar Sharma	Company Secretary

ii. Enterprises in which Key Management Personnel exercise significant influence:

- 1) GSP Ventures Consultancy Private Limited
- 2) Elcity Golf LLP

b. Transactions during the year:

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Repayment of loan:		
Collin Richard Timms	69,800	-
Remuneration:		
Liam Timms	5,55,000	4,20,000
Rent Paid:		
Collin Richard Timms	9,34,560	9,34,560
Olinda Timms	7,92,000	7,92,000
GSK Enterprises Private Limited	16,20,000	-
Purchase of Beer:		
Collin Richard Timms	29,66,091	32,87,512

c. Balances as at the year-end:

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
Non-current liability:		
Unsecured Loan from Collin Richard Timms	-	69,859
Rent Payable:		
GSK Enterprises Private Limited	1,25,000	-
Salaries payable:		
Liam Timms	48,495	33,910

20.17 Earnings per share (EPS) for each share with face value of Rs.10 has been computed as under:

Particulars	As at	As at
	31-Mar-2020	31-Mar-2019
(a) Profit / (loss) for the year	30,37,633	40,77,507
(b) Weighted average no. of ordinary shares outstanding	13,09,875	13,09,875
(c) Effect of potential shares on ESOP / convertible securities	-	-
(d) Weighted average no. of shares to compute diluted EPS	13,09,875	13,09,875
(e) Earning per share on profit for the year:		
- Basic EPS [(a)/(b)]	2.32	3.11
- Diluted EPS [(a)/(d)]	2.32	3.11

20.18 All amounts are in Indian Rupees unless otherwise specified therein. The figures of previous year have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

As per our attached report of even date.

For Phillipos & Co.,
Chartered Accountants
Firm Registration Number: 002650S

For and on behalf of the Board of Directors

[CA James Joseph]
Partner
Membership Number: 203604

[Liam Norman Timms]
Director
DIN: 06453032

[Pradosh Dhanaraj]
Director
DIN: 08424421

[Shailesh B.M]
Chief Financial Officer

[Rajiv Kumar Sharma]
Company Secretary

Date: 17th June, 2020

Place: Bengaluru

PECOS HOTELS AND PUBS LIMITED

(CIN: L55101KA2005PLC035603)

**Regd. Office: #34, Rest House Road,
Bangalore 560001**

Tel: ((080) 25580971, Fax: (080) 41464692

E mail ID: pecoshotels@gmail.com, website: www.pecospub.com

Form 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 Member(s):

Registered Address:

E mail ID:

Folio No. / Client ID: DP ID No.:

I/ We being the members of Shares of Pecos Hotels and Pubs Limited,
hereby appoint

1. Name: E mail ID:

Address:

..... Signature:

or failing him

2. Name: E mail ID:

Address:

..... Signature:

or failing him

3. Name: E mail ID:

Address:

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the
Fourteenth Annual General Meeting of the Company to be held on Thursday, September
3rd, 2020 at 11:00 A. M. at #139, 2nd Floor, Guardian House (Gurumurthy Bhavan)
Infantry Road, Bengaluru – 560001 and at any adjournment thereof in respect of such
resolutions as are indicated below:

Sr. No.	Resolution	Vote	
		For	Against
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the reports of the Board of Directors and the Auditors thereon.(Ordinary Resolution)		
2	To appoint a Director in place of Mr. Liam Norman Timms (DIN: 06453032), who retires by rotation and, being eligible, offers himself for re-appointment as an Whole Time Director. (Ordinary Resolution)		
3	Appointment of Messrs. Phillipos & Co., Chartered Accountants (Firm Registration no. 002650S) as the Statutory Auditors of the Company. (Ordinary Resolution)		
4	Re-appointment of Mr. Koilpillai Joseph Davaraj (DIN: 01931821) as an Independent Director of the Company		
5	Re-appointment of Mr. Lloyd John Pereira (DIN: 05207676) as an Independent Director of the Company		
6	Re-appointment of Ms. Nina Nayar (DIN: 02874239) as an Independent Director of the Company		
7	Revision in the remuneration of Mr. Liam Norman Timms (DIN: 06453032), Whole Time Director of the Company. (Ordinary Resolution)		

Signed this Day of 2020

Affix Revenue Stamp

Signature of shareholder Signature of Proxyholder(s)

NOTE:

This form in order to be effective should be duly completed and deposited at the Corporate Office of the Company at 139, Guardian House, 2nd Floor, Infantry Road, Bengaluru - 560001 not less than 48 hours before the commencement of the Meeting.

PECOS HOTELS AND PUBS LIMITED

(CIN: L55101KA2005PLC035603)

**Regd. Office: #34, Rest House Road,
Bengaluru - 560001**

Tel: (080) 25580971, Fax: (080) 41464692

E mail ID: pecoshotels@gmail.com, website: www.pecospub.com

ATTENDANCE SLIP

Folio No. _____ DP ID No. _____ Client ID No. _____

I hereby record my presence at the 15th Annual General Meeting of the Company to be held on 3rd day of September, 2020 at 11:00 A.M. at the Corporate Office of the Company situated at 139, 2nd Floor, Guardian House (Gurumurthy Bhavan) Infantry Road, Bengaluru - 560001 India.

Name of the Shareholder:

Name of the Proxy:

Signature of Proxy/ Member:

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

Note: Members are requested to bring their copies of Annual Report to the Meeting.

NOTES

PECOS HOTELS AND PUBS LTD

REGISTERED ADDRESS
#34, REST HOUSE ROAD,
BANGALORE - 560001

CORPORATE OFFICE
NO.139, 2ND FLOOR
GUARDIAN HOUSE (GURUMURTHY BHAVAN)
INFANTRY ROAD, BANGALORE - 560001

WEBSITE : WWW.PECOSPUB.COM
TEL : 080 2558 0971
EMAIL : PECOSHOTELS@GMAIL.COM