



# PACT INDUSTRIES LTD.

[www.pactindustries.com](http://www.pactindustries.com)

Date: 06.09.2019

To The Listing Department, Bombay Stock Exchange Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400 001 Scrip Code No. 538963	To The General Manager-Operations, Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th Floor, Plot No C62. Opp. Trident Hotel, Bandra Kurla Complex, Bandra E Mumbai-400098
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Sub.: **Notice of 26th Annual General Meeting And Intimation Of Book Closure And E- Voting Schedule**  
Dear Sir,

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Notice of 26<sup>th</sup> Annual General Meeting scheduled (AGM) to be held on Monday, the 30<sup>th</sup> day of September, 2019 at 11:00 A.M. at the Registered Office of the Company situated at 303 Hotel The Taksonz, Opp. Railway Station- Ludhiana(Punjab) along with Annual Report for the Financial year 2018-19, Proxy Form and Attendance Slip for your reference & record.

The Schedule of the 26th Annual General Meeting of the Company is as under

Event	Date and time
Cut Off Date to Vote On AGM Resolutions	Wednesday, 25 <sup>th</sup> September, 2019
Book Closure date	Friday, 27 <sup>th</sup> Sept, 2019 to Monday, 30 <sup>th</sup> Sept, 2019
Dispatch of Annual report to the shareholders of the company	Friday, 6 <sup>th</sup> September, 2019
Commencement of E-voting	Friday, 27 <sup>th</sup> Sept, 2019 at 9:00am
End of E-voting	Sunday, 29 <sup>th</sup> Sept, 2019 at 5:00pm
AGM	Monday, 30 <sup>th</sup> Sept, 2019 at 11:00 a.m.

This is for your information and record.

Thanking You,

For **Pact Industries Ltd**

For Pact Industries Ltd  
  
 Auth. Sign./Director

Harpreet Singh  
Managing Director



**26th Annual report 2018-19**



[www.pactindustries.com](http://www.pactindustries.com)

## CORPORATE INFORMATION

### **Board of Directors**

Mr. Avtar Singh- Chairman  
Mr. Harpreet Singh- Managing Director  
Mr. Sunil Rana- Director  
Mr. Eshaan Singh Takkar- Director  
Mrs. Jasjeet Kaur-Director

### **Bankers**

State Bank of India  
Overseas Branch  
Ludhiana

### **Company Secretary**

-

### **Registrar & Transfer Agent**

Skyline Financial Services Pvt Ltd  
D-153 A, 1<sup>st</sup> Floor Okhla Industrial Area  
Phase –I New Delhi- 110020

### **Statutory Auditor**

Parmod G Gupta & Associates.  
Chartered Accountants  
III Floor, Unique Tower  
Adj. Corporation Bank,  
Pakhawal Road  
Ludhiana  
Punjab

### **Secretarial Auditor**

Brij K. Tiwari & Associates  
121, Vishal Nagar Extension,  
Opp. SBS Nagar,  
Pakhawal Road,  
Ludhiana  
Punjab

### **Registered Office**

**PACT INDUSTRIES LIMITED**  
303 Hotel The Taksonz  
Opp. Railway Station  
Ludhiana  
Punjab

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## NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Monday the 30th September, 2019 at 11.00 a.m. at the Registered Office of the company situated at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2019 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors.
2. To appoint a director in place of Mr. Avtar Singh (DIN - 00570465) who retires by rotation and being eligible offers himself for re-appointment.
3. **Appointment of Statutory Auditors of the Company**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of **M/S. Parmod G Gupta & Associates, Chartered Accountants**, as the Statutory Auditors of the Company starting from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company to be held in the year 2020 at such remuneration as may be agreed upon by the Board of Directors and the Auditors.”

### **SPECIAL BUSINESS**

4. **Appointment of Mr. Eshaan Singh Takkar as the Director of the company.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution

“**RESOLVED THAT** Mr. Eshaan Singh Takkar (holding Director Identification Number 07194501), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 02, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be appointed as a Director of the Company, liable to retire by rotation.”

**RESOLVED FURTHER THAT** any one Director / Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. **Approve Related Party Transaction**

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary or associates Company or any other transactions of whatever nature with related parties.”

“**RESLOVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to determine the actual sums to be involved in the proposed transactions and the terms & conditions related thereto and all other matters arising out of or incidental to the proposed transactions and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

**6. Re-appointment of Mr. Harpreet Singh (DIN 00570541), as Managing Director of the Company.**

To Consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Harpreet Singh, Managing Director of the Company with effect from 25<sup>th</sup> August, 2019 for a tenure of five years subject to the approval of shareholders, in the forth coming Annual General Meeting to be held on 30.09.2019 as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Harpreet Singh.

**RESOLVED FURTHER THAT** in the event of absence or in-adequacy of profits in any financial year during his tenure as Managing Director, Mr. Harpreet Singh is entitled for the maximum remuneration upto to the limit of Rs 600000/- under section 197 of the Companies Act, 2013 subject to the approval of shareholders in Annual General Meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors.”

**Date:04.09.2019**  
**Registered Office:**  
303 Hotel The Taksonz,  
Opp. Railway Station  
Ludhiana-141008

**BY THE ORDER OF THE BOARD**  
For Pact Industries Limited

-sd/-  
(Harpreet Singh)  
(Managing Director)

**CIN:L18101PB1993PLC013193**  
**Phone:0161-2731851/852**  
**Email : pactindustries1993@gmail.com Website: www.pactindustries.com**

## NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made there under, relating to the Special business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and vote on a poll instead of himself/ herself and the proxy so appointed need not be a member of the Company. The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

**During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.**

3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members / proxies / authorized representatives should bring the duly filled Attendance Slip herewith to attend the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. Only registered members of the Company or any proxy appointed by such registered member, as on the cut-off-date decided for the purpose, being 30<sup>th</sup> August, 2019 may attend and vote at the "AGM" meeting as provided under the provisions of the Companies Act.
7. Electronic copy of the Notice of the aforesaid "AGM" is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes, unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the aforesaid "AGM" are being sent by the permitted mode.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
9. Members may also note that the Notice of the said "AGM" will also be available on the Company's website [www.pactindustries.com](http://www.pactindustries.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) for download. The physical copy of the notice will also be available at the Company's Registered Office **at 303 Hotel The Taksonz, Opp. Railway Station, Ludhiana- 141008** for inspection during normal business hours on working days.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Head Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM of the Company.
11. **Voting through electronic means**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and as per Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and any amendment there to, the Company is pleased to provide members, a facility to exercise their right

to vote at the Annual General Meeting (AGM) on the item of business given in this notice by electronic means (remote- e-voting) and the business may be transacted through remote e-voting Services provided by Central Depository (Services) India Limited (CDSL).

Since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the said meeting. The facility for voting through polling paper shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through polling paper. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

### Steps for remote e-voting

- (i) **The remote e-voting period begins on Friday, 27<sup>th</sup> September, 2019 at 9.00 a.m. and will end on Sunday, 29<sup>th</sup> September, 2019 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date i.e. **25<sup>th</sup> September, 2019**, may cast their vote electronically. The remote e-voting modules shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (sequence number is mentioned on the address sticker) in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) for **PACT INDUSTRIES LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m- voting available for mobiles. The m- voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **25.09.2019**, may follow the same instructions as mentioned above for remote e- voting. The Voting rights of the members shall be in proportion to their shares in the paid up capital of the company as on the cut off date i.e. **25.09.2019**. A person whose name is recorded in the Register of members or in the Register of Beneficial owners maintained by the Depositories as on the cut off date only



shall be entitled to avail the facility of remote e-voting as well as voting at the said meeting. A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.

- In case of any queries or issues regarding e-voting, members may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Further Mr. Wenceslaus Furtado Deputy Manager having address i.e. Central Depository Services (India) Limited 16th Floor, P. J. Towers, Dalal Street Fort, Mumbai – 400001, email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and contact number 18002005533 is responsible to address the grievances connected with facility for voting by electronic means.
- The Board of Directors has appointed Mr. Vipin Sharma, Practicing Company Secretary (Membership No. A47436 and C.P.No. 18768) of M/S Mr. Vipin Sharma & Associates, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for same purpose.
- The Scrutinizer shall, immediately after the conclusion of voting at the meeting , first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than forty eight hours of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- Chairman or the person authorized by him in writing, shall forthwith on receipt of the consolidated Scrutinizer's Report declare the results of voting within 48 hours of the conclusion of this AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pactindustries.com](http://www.pactindustries.com) and on the website of CDSL immediately after the result is declared by the Chairman and shall also be communicated to the BSE Limited (BSE) and Metropolitan Stock exchange of India Ltd, where the shares of the Company are listed.
- Subject to the receipt of requisite number of Votes, the resolutions shall be deemed to be passed on the date of AGM i.e 30.09.2019.

**BY THE ORDER OF THE BOARD**  
For Pact Industries Limited

**PLACE: LUDHIANA**  
**DATE: 04.09.2019**

sd/-  
(Harpreet Singh)  
(Managing Director)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

4. The Board of Directors of the Company in their meeting held on 02.05.2019 on the recommendation of the Nomination & Compensation Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), had appointed Mr. Eshaan Singh Takkar as an Additional Director of the Company.

The Company has received requisite notice in writing from a member proposing appointment of Mr. Eshaan Singh Takkar as candidate for the office of Director of the Company liable to retire by rotation for a term of consecutive five years starting from the date of this Annual General Meeting to the conclusion of 31st Annual General Meeting of the Company.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Eshaan Singh Takkar has been received by the Company.

A brief profile of Mr. Eshaan Singh Takkar is provided at the end of this statement.

The Board recommends the appointment of Mr. Eshaan Singh Takkar as a director of the company subject to the approval of shareholders in AGM.

A statement containing his profile is given as per Annexure 1.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 4.

5. Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transaction mentioned under aforesaid resolution, which are not in the ordinary course of business and/or are not on arm length basis, only with the approval of the shareholders accorded by way of a special resolution. Though, your Company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis; still there may be some such transactions which are done in the interest of the Company and for which your approval is required under the provisions of the Companies Act, 2013.

Audit Committee In it's meeting held on 30.05.2019 provided the omnibus approval for the transaction mentioned below and recommended the board of director of the same. Board of Director also approved the same in it's meeting held on 30.05.2019 subject to approval of shareholder.

The proposal outlined above is in the interest of the Company and the Board re-commends the resolution set out in the accompanying Notice as special resolution.

<b>Name of Related Party</b>	<b>Name of Directors/ KMP who is related</b>	<b>Particulars of the Contract and relevant information</b>	<b>Yearly Monetary Value (In Rs.)</b>
Preet Overseas	Mr. Avtar Singh Mr. Gurdeep Singh Mr. Harpreet Singh Mr. Charanpreet Singh Mr. Tarunjeet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property goods, material or services	35 Crore
Preet Steels	Mr. Avtar Singh Mr. Harpreet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	20 Crore
Singh Steel and Alloys	Mr. Parav Singh Takkar	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	20 Crore
Guru Nanak Steels	Mr. Eshaan Singh Takkar	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	20 Crore

Preet Overseas	Mr. Avtar Singh Mr. Gurdeep Singh Mr. Harpreet Singh Mr. Charanpreet Singh Mr. Tarunjeet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property goods, material or services	35 Crore
Taksonz Developers and Infrastructure ltd	Mr. Avtar Singh Mr. Gurdeep Singh Mr. Harpreet Singh Mr. Charanpreet Singh Mr. Tarunjeet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	35 Crore
Gurdeep Singh & Sons	Mr. Gurdeep Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Harpreet Singh & Sons	Mr. Harpreet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Avtar Singh & Sons	Mr. Avtar Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Tarunjeet Singh & Sons	Mr. Tarunjeet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Kartarz Alloys P.Ltd.	Mr. Harpreet Singh Mr. Eshaan Singh Takkar	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	20 Crore
Takkar Knit Fab	Eshaan Singh Takkar	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Parav Knitwear (Proprietorship)	Mr. Parav Singh Takkar	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Kartar Finvest Pvt. Ltd.	Mr. Harpreet Singh Mrs. Tanupreet Kaur	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore
Preet Builders Pvt. Ltd.	Mr. Harpreet Singh Mr. Avtar Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property	5 Crore

- 6 Mr. Harpreet Singh, who was appointed as Managing Director by the members of the company shall be re- appointed as Managing Director of the company and hence for continuation of his employment as Managing Director requires the approval of members by way of a Special Resolution.

Keeping in view that Mr. Harpreet Singh has rich and varied experience in the Industry and has been involved in the operation of the Company over a long period of time; it would be in the interest of the company to continue the employment of Mr. Harpreet Singh as Managing Director of the company. Mr. Harpreet Singh is Graduate in Commerce and has more than 29 years of Managerial and Administrative experience in textile industries.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company passed a resolution on 30<sup>th</sup> May, 2019 for approving re-appointment of Mr.

Harpreet Singh, as Managing Director of the company for a period of five years with effect from August 25th 2019 subject to the approval of the shareholders at this Annual General Meeting.

The details of remuneration payable to Mr. Harpreet Singh and the terms and conditions of the re-appointment are given below:

- i. Salary: 50,000 P.M which is eligible for revision on the date to be determined by the Nomination and remuneration committee.
  - ii. Special Allowance: NIL
  - iii. Commission: NIL
- Perquisites: The Managing Director shall not be entitle to take any Perquisites

## Annexure 1

### DETAILS OF DIRECTORS SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING

<b>Name of the Director</b>	<b>Mr. Eshaan Sigh Takkar</b>
DIN	07194501
Date of Birth	15.11.1993
Date of Appointment	02.05.2019
No. of Shares in PIL	Nil
Qualification	B.B.A. honours from Lancaster University , London
List of Public Ltd. Companies (in India) in which outside Directorships held	Nil
Membership/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Fellow,

The Directors of your Company are presenting their 26th Annual Report together with the Audited Statement of Accounts of Pact Industries Limited for the year ended 31st March, 20189

### 1. FINANCIAL HIGHLIGHTS.

The summary of the financial performance of the Company for the financial year ended March 31, 2019 compared to the previous year ended March 31, 2018 is given below:

Particulars	(in lakh)	
	Year Ended March 31,2018	Year Ended March 31,2019
Revenue from Operations and Other Income (Total Revenues)	5765.06	5607.50
Gross profit before interest and depreciation	237.37	143.78
Finance cost	140.190	96.40
Profit before depreciation and amortisation- (Cash Profit)	97.18	47.37
Depreciation and Amortisation	54.70	20.06
PBT before exceptional items	42.48	27.31
Exceptional items	1.96	0.00
Profit before Tax (PBT)	40.51	27.31
Provision for Tax- Current	15.96	9.16
Provision for Tax- Deferred	-3.67	17.08
Profit after Tax	28.22	35.23
Earning per Share (EPS) (in Rs) (after exceptional item )	0.06	0.07
- Basic		
- Diluted	0.06	0.07

### 2. STATE OF COMPANY'S AFFAIRS :

Total Revenue from operation for the year is Rs.5484.92 Lakhs as compared to Rs. 5710.90 Lakhs of previous year. The Net profit for the year ended 31.03.2019 is Rs.35.23 Lakhs as compare to Net Profit of Rs. 28.22 Lakhs for the previous year.

### 3. TRANSFER TO RESERVE

The company has not transferred profits in Reserves and surplus.

### 4. DIVIDEND

In order to accumulate funds for future projects, your directors do not recommend any dividend for the year under review.

### 5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there were no unpaid/unclaimed Dividend and other amounts, as prescribed under Sections 124 & 125 of Companies Act, 2013 lying with the company, therefore, the provisions of above mentioned sections do not apply to the company.

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

No Material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date on which this report has been signed.

## **7. CHANGE IN THE NATURE OF BUSINESS**

There was no change in the nature of business of the company during the year under review.

## **8. SHARE CAPITAL**

During the year, 60,00,000 equity shares were allotted to promoters and public under Preferential issue of equity shares on 9<sup>th</sup> May, 2018. The paid up equity shares capital is increased from 4,94,08,000 to 5,54,08,000. Also, the company has redeemed unlisted 9%Non- Cumulative Non Convertible Redeemable Preference shares of the company out of reserves on 17<sup>th</sup> May, 2018.

### **8.1 BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **8.2 SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **8.3 BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **8.4 EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## **9. FINANCE**

### **9.1 CASH AND CASH EQUIVALENT**

Cash and Cash equivalent as at 31<sup>st</sup> March, 2019 is Rs. 46.07 Lakh. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

### **9.2 DEPOSITS/ FIXED DEPOSITS**

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not repaid any deposit to public and there is no deposits are pending as on 31<sup>st</sup> March, 2019.

### **9.3 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Detail of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of Financial Statements.

## **10. BOARD**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

There has been change in the board of directors as on 31/03/2019 Mr. Sunil Rana, has been appointed as Independent director of the company on 21.08.2018 in place of Mr.Narinderjit Singh, Independent Director of the company who has resigned from the post of directorship on 19.08.2018.

Mr. Eshaan Singh Takkar has been appointed as Additional Director of the company wef 02.05.2019 and will be appointed as an director of the company, liable to retire by rotation in the ensuing Annual General meeting. Mr Harjinder Singh, Independent Director of the company has tendered his resignation on 08.07.2019.

### **Key Managerial Personnel (KMP)**

Board would also like to inform the members that Mrs. Divya Khanna, resigned from the post of Company Secretary w.e.f. 30<sup>th</sup> March, 2019.

### **NO. OF MEETINGS OF THE BOARD**

Eleven meetings of the Board of Directors were held during the year. The details of which are given in the Corporate Governance Report. The provisions of Companies Act, 2013 and Listing Regulations and SEBI (Listing Obligations and Disclosure) Regulation, 2015 were adhered to while considering the time gap between two meetings.

### **11. COMMITTEES OF BOARD**

The details regarding Committees of the Board of Directors of the Company are given in the Report on Corporate Governance, which forms a part of this Report

### **12. REMUNERATION POLICY AND BOARD EVALUATION**

Company has Nomination and Remuneration policy in place pursuant to Companies Act, 2013 and SEBI (LODR) Regulation, 2015.

Independent directors in their meeting held on 17.10.2018, evaluated the performance of the non independent director of the board including Managing Director. The minutes of the meeting were placed before the board and board affirmed the same. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually.

The details regarding process and criteria for evaluation are given in the Report on Corporate Governance, which forms a part of this Report

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 and SEBI(LODR) Regulation, 2015 is enclosed herewith as 'Annexure - 6'.

### **13. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

### **14. CODE OF CONDUCT COMPLIANCE**

The declaration signed by the Managing Director affirming compliance with the Code of Conduct by Directors and Senior Management, for the financial year ended March 31, 2019 is given in Report on Corporate Governance, which forms a part of this Report.

### **15. TRAINING OF INDEPENDENT DIRECTORS.**

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial

personnel make presentations to the inductees about the Company's strategy, operations, product, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

## **16. DIRECTORS' RESPONSIBILITY STATEMENT**

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) 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. AUDITORS**

### **17.1 Statutory Auditors**

At the Annual General Meeting the members will be required to appoint Auditors and fix their remuneration. **M/s. Parmod G Gupta & Associates, Chartered Accountants**, will be appointed as statutory auditors of the company in the ensuing Annual General Meeting and **M/s. Parmod G Gupta & Associates, Chartered Accountants, Statutory Auditor (FRN No. 018870N)** is eligible for appointment. The appointment, if approved, will be for a period of one year as required by Sec 139(1) of the act. The Company has received a certificate from M/s Parmod G Gupta & Associates to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### **17.2 Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Brij K. Tiwari & Associates (CP No.: 2831, FCS: 4442), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure – A'.

### **17.3 Internal Auditors**

Mr. Bipin Bihari Singh performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

### **17.4 Cost Auditor**

The Cost Audit was not applicable on the Company during the Financial Year 2018-19 as per Companies (Cost record & audit) Rules, 2014.

## **18. INTERNAL FINANCIAL CONTROLS**



The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

## 19. LISTING OF SECURITIES

The Securities of the Company are listed on Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Ltd. The Company has not paid annual listing fee to exchanges for the year 2019-20.

## 20. COMMITTEES OF THE BOARD

a) **Audit Committee** : The Audit Committee was re - constituted in accordance with the provisions of Companies Act, 2013 comprising of the following directors.

Name	Status	Category
Mr.Sunil rana	Chairman	Independent and Non-Executive Director
Mr. Harjinder Singh	Member	Independent and Non-Executive Director
Mr. Harpreet Singh	Member	Executive Director

\* Mr. Sunil Rana has been appointed as chairman of Audit committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018.

b) **Nomination and Remuneration Committee** : The **Nomination and Remuneration** Committee was re - constituted in accordance with the provisions of Companies Act, 2013 The company is having a Nomination and Remuneration Committee comprising of the following directors:

Name	Status	Category
Mr. Sunil Rana	Chairman	Independent and Non-Executive Director
Mr. Harjinder Singh	Member	Independent and Non-Executive Director
Mrs. Jasjeet Kaur	Member	Independent and Non-Executive Director

\* Mr. Sunil Rana has been appointed as member of Nomination and Remuneration Committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

c) **Stakeholder's Relationship Committee** : The Stakeholders' Relationship Committee was re-constituted by the Board on consequent to the dissolution of the Share transfer cum Investors' Grievance Committee. This Committee includes Mr.Sunil Rana (Chairman) and Mr. Harjinder Singh (member) and Mr. Harpreet Singh (member). Term of reference and other details are given in Corporate Governance Report and forms part of this report. Mr. Sunil Rana has been appointed as member of Stakeholder's Relationship committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

d) **Risk Management Committee**: The Company has formed the Risk Management Committee with its members as Mr. Harjinder Singh (Chairman), Mr.Sunil Rana (member) and Mrs. Jasjeet Kaur and the committee will perform its activities according to the Risk Policy finalized by the Board indicating the development and implementation of Risk Management. Mr. Harjinder Singh has been appointed as member of Risk Management committee on 13.10.2017 in place of Mr. Amandeep Singh who has resigned from the directorship of the company on 09.10.2017. Mr. Sunil Rana has been appointed as member of Risk Management Committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

## 21. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **22. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as 'Annexure- B'

## **23. VIGIL MECHANISM / WHISTLE BLOWER POLICY.**

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

## **24. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

## **25. RELATED PARTY TRANSACTIONS/ PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES.**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in annexure- C

## **26. CORPORATE GOVERNANCE**

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Practicing Company Secretary confirming compliance forms an integral part of this Report.

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

The Company has in place a prevention of sexual Harassment policy in line with the requirements of the sexual Harassment of Women at the Workplace (prevention, prohibition and Redressal) Act, 2013. During the year 2018-19 no complaint were received by the Company related to sexual Harassment.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure- D"

## **29. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The company has two Executive Director and due to financial constraints being faced by the company, it has forgone remuneration paid to one executive director. Further, no sitting fees have been paid to any director during the year.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

The remuneration paid to Managing Director is 500000/- per annum.

### **30. APPRECIATION AND ACKNOWLEDGEMENTS**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company. Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation. We look forward to receiving the continued patronage from all quarters to become a better and stronger company.

### **31. CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations.

Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of the Board

**For PACT INDUSTRIES LIMITED**

**Director**

**Sd/-  
(Avtar Singh)  
Chairman**

**Sd/-  
(Harpreet Singh)  
Managing**

Place: Ludhiana  
Date: 04.09.2019

To,  
The Members,  
Pact Industries Limited  
CIN L18101PB1993PLC013193,  
303, Hotel The Taksonz,  
Opp. Railway Station,  
Ludhiana-141008

Our Secretarial Audit Report of even date, for the financial year 2018-19 is to be 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 the 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 Brij K. Tiwari & Associates  
Company Secretaries  
FIRM REGISTRATION NO. S1998PB022400

Brij Kishore Tiwari, Proprietor  
FCS 4442, C.P No. 2831

Date : 04th September, 2019  
Place : Ludhiana



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Pact Industries Limited**  
CIN L18101PB1993PLC013193,  
303, Hotel The Taksonz,  
Opp. Railway Station,  
Ludhiana-141008

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pact Industries 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 2019**, 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 on **31st March 2019**, 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 no Foreign Direct Investment and Overseas Direct Investment received]**
- 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 Shares 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 and Disclosure Requirements) Regulations, 2009 and as amended in 2018; The company has not complied regulation 76 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable as no such transaction done during the year under review).
  - 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 [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
  - 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, 2018 **[Not Applicable as there was no reportable event during the period under review];**
- vi. The Management has identified and confirmed the compliance of following laws as specifically applicable to the Company:
  - i) The Hazardous Wastes Management Rules, 2016;
  - ii) The Environment (Protection) Act, 1986;
  - iii) The EPF & Misc. Provisions Act, 1952; The Company has deposited EPF and ESI payments after the due date along with interest.
  - iv) The Company has not deposited labour welfare fund.



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 Agreements entered into by the Company with BSE Limited and Metropolitan Stock Exchange of India Limited; except the company has not complied with regulation 46.

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 except that the Company has not complied with the provisions of section 55,105 & 197 of Companies Act 2013.

For Brij K. Tiwari & Associates  
Company Secretaries  
FIRM REGISTRATION NO. S1998PB022400

Brij Kishore Tiwari, Proprietor  
FCS 4442, C.P No. 2831

Date : 4th September, 2019  
Place : Ludhiana



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

[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:	L18101PB1993PLC013193		
	Foreign Company Registration Number/GLN	N.A.		
	Registration Date [DDMMYY]	31/03/1993		
ii)	<b>Category of the Company</b>	Public Company		
iii)	<b>Sub Category of the Company</b>	Limited by shares		
iv)	Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes		
		<b>SN</b>	<b>Stock Exchange Name</b>	<b>Code</b>
		1	Bombay Stock Exchange	A1
		2	Metropolitan Stock Exchange of India Ltd	26
v)	AGM details-	26 <sup>th</sup> AGM held on Monday, 30 <sup>th</sup> September, 2019 at 11:00 a.m. at Registered Office of the company at 303 Hotel The Taksonz, Opp. Railway Station, Ludhiana		
	Whether extension of AGM was granted – Yes / No. ( If yes, provide reference number , date of approval letter and the period upto which extension granted)	No		
	If Annual General Meeting was not held, specify the reasons for not holding the same	NA		
vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:			
	Company Name	PACT INDUSTRIESLIMITED		
	Address	303 Hotel The Taksonz, Opp. Railway Station, Ludhiana		
	Town / City	Ludhiana		
	State	Punjab		
	Pin Code:	141008		
	Country Name :	India		
	Country Code	+91		



	Telephone (With STD Area Code number)	0161-2731851/852
	Fax Number :	0161-2721876
	Email Address	<a href="mailto:pactindustries1993@gmail.com">pactindustries1993@gmail.com</a>
	Website	<a href="http://www.pactindustries.com/">http://www.pactindustries.com/</a>
	Name of the Police Station having jurisdiction where the registered office is situated	Sadar, Ludhiana
	Address for correspondence, if different from address of registered office:	303 Hotel The Taksonz, Opp. Railway Station, Ludhiana
vii)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.	
	Registrar & Transfer Agents ( RTA ):-	Skyline Financial Services Pvt. Ltd
	Address	D-153A, First Floor, Okhla Industrial Area, Phase- I, New Delhi
	Town / City	New Delhi
	State	New Delhi
	Pin Code:	110020
	Telephone (With STD Area Code Number)	011 –26812682-83
	Fax Number	011 – 26812682
	Email Address	<a href="mailto:info@skylinerta.com">info@skylinerta.com</a>

**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	Non Alloys Steel Ingots	27141	92.35%
2	knitted Cloth	17301	7.65%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES** [No. of Companies for which information is being filled]] - N.A

**E. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) **Category-wise Share Holding(Increase of 60,00,000 equity shares due to Preferential allotment of equity shares to Promoters and Public)**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018] (The FV of Equity shares is Rs1/-)				No. of Shares held at the end of the year [As on 31-March-2019] (The FV of Equity shares is Rs1/- after Split of shares)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									





(1) Indian										
a) Individual/ HUF	16188600	-	16188600	32.77	20688600	-	20688600	37.34	0.00	
b) Central Govt	0	0	0	0	0	0	0	0	0.00	
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00	
d) Bodies Corp.	16083000	-	16083000	32.55	16083000	-	16083000	29.03	0.00	
e) Banks / FI	0	0	0	0	0	0	0	0	0.00	
f) Any other	0	0	0	0	0	0	0	0	0.00	
<b>Total shareholding of Promoter (A)</b>	<b>32271600</b>	<b>-</b>	<b>32271600</b>	<b>65.32</b>	<b>36771600</b>	<b>-</b>	<b>36771600</b>	<b>66.37</b>	<b>8.12</b>	
<b>B. Public Shareholding</b>										
(1) Institutions	0	0	0	0	0	0	0	0	0.00	
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00	
b) Banks / FI	0	0	0	0	0	0	0	0	0.00	
c) Central Govt	0	0	0	0	0	0	0	0	0.00	
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00	
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00	
g) FIs	0	0	0	0	1	0	3000	0.01	0.01	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00	
i) Others (specify)	0	0	0	0	0	0	0	0	0.00	
<b>Sub-total (B) (1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>2. Non-Institutions</b>										
a) <b>Bodies Corp.</b>	<b>2301963</b>	<b>79000</b>	<b>2380963</b>	<b>4.82</b>	<b>2272341</b>	<b>79000</b>	<b>2351341</b>	<b>4.24</b>	<b>0.58</b>	
i) Indian	0	0	0	0	0	0	0	0	0.00	
ii) Overseas	0	0	0	0	0	0	0	0	0.00	
b) <b>Individuals</b>	0	0	0	0	0	0	0	0	0.00	
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2451208	6615000	9066208	18.35	2249183	6575000	8824183	15.93	2.42	
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	4078030	1155000	5233030	10.59	5849350	1155000	7004350	12.64	2.50	
c) <b>Others (specify)</b>	2199	0	2199	0.00	0	0	0	0	0.00	
Non Resident Indians	6000	0	6000	0.01	5516	0	5516	0.01	0.00	
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0	0.00	
Resident Indian HUF	443772	1000	444772	0.09	445210	1000	446210	0	0.00	
Clearing Members	3228	0	3228	0.01	1800	0	1800	0	0.00	
Trusts	0	0	0	0.00	0	0	0	0	0.00	
Foreign Bodies – D R	0	0	0	0.00	0	0	0	0	0.00	
<b>Sub-total (B)(2):-</b>	<b>9286400</b>	<b>7850000</b>	<b>17136400</b>	<b>34.68</b>	<b>10823400</b>	<b>7810000</b>	<b>18633400</b>	<b>33.63</b>	<b>0.0</b>	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9286400	7850000	17136400	34.68	10826400	7810000	18636400	33.63	2.70	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Grand Total (A+B+C)</b>	<b>41558000</b>	<b>7850000</b>	<b>4940800</b>	<b>100</b>	<b>47598000</b>	<b>781000</b>	<b>55408000</b>	<b>100</b>	<b>0.00</b>	

*ii) Shareholding of Promoters*

Increase of 60,00,000 equity shares due to Preferential allotment of equity shares to Promoters and Public)

S.no	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares	%of Shares Pledged / encumbered	No. of Shares	% of total Shares	%of Shares Pledged / encumbered	



		(FV Rs 10/-)	of the company	to total shares	(FV Rs 1/-)	of the company	d to total shares	
1	Harpreet Singh	2963000	6.00	-	4468100	8.06	-	2.06
2	Tanu Preet kaur	520000	1.05	-	2020000	3.65	-	2.60
3	Avtar Singh	1427000	2.89	-	2927000	5.28	-	2.39
4	Gurdeep Singh	4267000	8.64	-	4267000	8.64	-	-
5	Tarunjeet Singh	2857500	5.78	-	2857500	5.78	-	-
6	Charan Preet Singh	2144000	4.34	-	2144000	4.34	-	-
7	Ashwinder Paul Kaur	825000	1.67	-	825000	1.67	-	-
8	Kartar Kaur	1180000	2.39	-	1180000	2.39	-	-
9	Khalsa Nirbhai Transport company Pvt Ltd	1743000	3.53	-	1743000	3.53	-	-
10	Preet Builders Pvt Ltd	2500000	5.06	-	2500000	5.06	-	-
11	A.K.Financial Consultants Pvt Ltd	350000	0.71	-	350000	0.71	-	-
12	Kartar Hotel Estate Pvt Ltd	2440000	4.94	-	2440000	4.94	-	-
13	Kartar Finvest Pvt Ltd	6600000	13.36	-	6600000	13.36	-	-
14	Kartar Colonizers Pvt Ltd	1600000	3.24	-	1600000	3.24	-	-
15	Taksonz developers & Infrastructure Ltd	850000	1.72	-	850000	1.72	-	-
	<b>TOTAL</b>	<b>32266500</b>	<b>65.31</b>		<b>32271600</b>	<b>65.32</b>		<b>-</b>

(E) *Change in Promoters' Shareholding ( please specify, if there is no change)*

**Change in Promoters' Shareholding during the year 2018-19**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares (FV Rs10/-)	% of total shares of the company	No. of shares (FV Rs1/-)	% of total shares of the company
1.	At the beginning of the year	32271600	65.32	32271600	65.32
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (allotment of 45,00,000 equity shares on account of preferential issue of equity shares to promoters)	4500000 (Buy)	0.00	4500000	8.12
3.	At the end of the year	36771600	66.37	36771600	65.32



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)(Allotment of 15,00,000 equity shares to Harpreet Singh(Public) on account of preferential issue of equity shares)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (FV Rs 1/-)		Increase/Decrease during the year	Shareholding at the end of the year (FV Rs 1/-)	
HARPREET SINGH	217000	0.44	1500000	1717000	3.10
Amarinder Singh	954000	4.44	-	954000	4.44
Amrit Kaur	943000	1.91	-	943000	1.91
Amandeep Singh	845000	1.71	-	845000	1.71
Takkar Financial Consultants Pvt Ltd	812000	1.64	-	812000	1.64
Mohinder Singh	709000	1.43	-	709000	1.43
Surinder Singh	644000	1.30	-	644000	1.30
C T Financial Consultants Pvt Ltd	631350	1.28	-	631350	1.28
Tak Financial Consultants Pvt Ltd	594070	1.20	-	594070	1.20
Manpreet Singh	263030	0.47	-	263030	0.53
Paramjit Singh	246000	0.50	-	246000	0.50

**(v) Shareholding of Directors and Key Managerial Personnel:**

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (FV Rs 1/-)		Increase/Decrease during the year	Shareholding at the end of the year (FV Rs 1/-)	
Avtar Singh ( Director)	1427000	2.89	1500000	2927000	5.28
Mr. Harpreet Singh(Managing Director, KMP)	2968100	6.00	1500000	4468100	8.06
Mr. Narinderjit Singh (Director)	Nil	Nil	-	Nil	Nil
Mrs. Jasjeet Kaur (Director)	Nil	Nil	-	Nil	Nil
Mr. Harjinder Singh	Nil	Nil	-	Nil	Nil
Mr. Sunil Rana	Nil	Nil	-	Nil	Nil
Mr. Sanjay Jain (CFO, KMP)	Nil	Nil	-	Nil	Nil
Ms. Divya Khanna (CS, KMP)	Nil	Nil	-	Nil	Nil

**E. INDEBTEDNESS**

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

(In Lakh)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Principal Amount	954.78	267.75	-	1222.53
ii) Interest due But not paid	0.00	0.00	-	0.00
iii) Interest Accrued but not due	0.00	0.00	-	0.00
Total (i+ii+iii)	954.78	267.75	-	1222.53
Change in indebtedness during the financial year				
*Addition	0.00	0.00	-	0.00
*Reduction	498.72	242.98	-	741.70
Net Change				



Indebtedness at the end of the financial year					
i)	Principal Amount	456.06	24.77	-	480.83
ii)	Interest due But not paid	0.00	0.00	-	0.00
iii)	Interest Accrued but not due	0.00	0.00	-	0.00
Total(i+ii+iii)		456.06	24.77	-	480.83

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of Managing Director /Whole – Time Director		Total Amounts
		Harpreet Singh (Managing Director)		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	500000		500000
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4..	Commission – as % of profit – others, specify...	-		-
5	Others, please specify	-		-
	Total (A)	500000		500000
	Ceiling as per the Act	4200000		

B. Remuneration to other directors:

S.no.	Particulars of Remuneration	Name of Directors					Total Amount
		Avtar Singh	Harjinder Singh	Narinderjit Singh	Jasjeet kaur	Sunil Rana	
1	Independent Directors						
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors						
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-



	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration (A)+(B)	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure- C**

**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of contracts or arrangements or transactions not at arm’s length basis:

There were no contracts or arrangements or transactions entered into during the year ended on 31<sup>st</sup> March, 2019, which were not at Arm’s Length basis.

Details of material contracts or arrangement or transactions at arm’s length basis:

	<b>Name(s) of the related party and nature of relationship</b>	<b>Duration of the contracts/arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions</b>	<b>Amount paid as advances, if any:</b>	<b>Amount ( in Rs. Lacs)</b>
(a)	Loan Taken (from KMP & relatives of KMP)	2018-19	N.A.	-	0.00
(b)	Loan Repaid (from KMP & relatives of KMP)	2018-19	N.A.	-	0.00
(c)	Sale of Goods (Associates & relatives of KMP)	2018-19	N.A.	-	2513.49
(d)	Purchase of goods (Associates & relatives of KMP)	2018-19	N.A.	-	1309.25

**ANNEXURE – D**

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

[Section 134(3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

**E. CONSERVATION OF ENERGY:**

(i) **Efforts made for conservation of energy :-** – Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques.

(ii) **The steps taken by the company for utilizing alternate sources of energy :** NIL

(iii) **The capital investment on energy conservation equipments** – Due to Industry scenario in previous years company was not able to spend any money on equipments for energy conservation.

<b>A</b>	<b>Power and Fuel Consumption</b>		<b>2017-18</b>	<b>2018-19</b>
<b>1.</b>	<b>Electricity – Own Generation</b>			
	Unit Produced	KWH	0	0
	Cost of Diesel	Rs.	0	0
	Cost Per Unit	Rs.	0	0



<b>2.</b>	<b>Electricity – Purchased</b>			
	Unit Purchased	KWH	9016610	4559535
	Total Amount	Rs.	64799107	33375799
	Rate Per Units	Rs.	7.18	7.32
<b>B.</b>	<b>Other/ Internal Generations</b>	-	-	-

**B. Technology absorption :**

- (i) **The efforts made towards technology absorption :** The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.
- (ii) **The benefit derived like product improvement, cost reduction, product development or import substitution:** NONE
- (iii) **In case of imported technology ( imported during the last three years reckoned from the beginning of the financial year) :** NONE
  - a. The details of technology imported;
  - b. The year of import;
  - c. Whether the technology been fully absorbed;
  - d. If not fully absorbed, areas where absorption has not taken place, and the reasons the reasons thereof; and
- (iv) **The expenditure incurred on Research and Development:** No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

			(12 months)	
			2017-18	2018-19
a)	Earning (Export Sales- FOB Value)		NIL	NIL
b)	Outgo:			
	i) Imports-Raw Material & Spares		NIL	NIL
	Capital Goods		NIL	NIL
	ii) Expenditure		NIL	NIL
c)	Net Foreign Exchange Earnings		NIL	NIL

On the behalf of the Board

For PACT INDUSTRIES LIMITED

Place: Ludhiana  
Date: 04.09.2019

sd/-  
(Avtar Singh)  
Director

sd/-  
(Harpreet Singh)  
Managing Director



## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

#### The Company

It is the consistent conviction of the company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. The corporate governance process and systems have gradually been strengthened over the years to ensure full compliance with regulatory requirements. While the company's compliance of legislative and regulatory requirements is total and absolute, the company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

We firmly believe the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability and independent monitoring. The company has always given its best efforts to uphold and nurture these core values across all operational aspects.

### BOARD COMPOSITION

#### Size and Composition of Board of Directors

#### Board of Directors

The Company has 5 Directors, two of whom are executive directors; three are a non-executive independent director including one women director who falls under the category of Non- executive Independent director. The Board periodically evaluates the need for change in its composition and size.

Details of composition of the board, Category of Directors, shareholding details, number of board meeting attended, attendance at last AGM, Total Number of directorship held, Chairpersonship & Membership of the committees are as given below. Directorship for this purpose also includes alternate directorship but does not include directorship in foreign company. Chairmanship / Membership of Board Committees include only Audit committee, and Stakeholders Relationship Committee.

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee Membership/Chairmanship			No. of shares held in the Company
		Board Meeting	Last AGM	Directorship	Committee Membership	Committee Chairmanship	As on 31.03.2019
Mr. Avtar Singh	Chairman and Promoter	11	Yes	7	Nil	Nil	2927000
Mr. Harpreet Singh	Managing Director and Promoter	11	Yes	8	2	Nil	4468100
Mr. Narinderjit Singh	Independent Director	4	Yes	1	1	3	Nil
Mr. Sunil Rana	Independent Director	5	Yes	1	Nil	Ni	Nil
Mrs. Jasjeet Kaur	Independent Director	9	Yes	1	4	Nil	Nil
Mr. Harjinder Singh	Independent Director	10	Yes	-	4	2	Nil

\*No. of Directorship is inclusive of companies in which directors has resigned during the year. Mr. Sunil Rana, appointed as Independent Director of the company on 21.08.2018 on account of Mr. Narinderjit Singh who has resigned from the directorship on 19.08.2018. Mr Harjinder Singh resigned from the post of directorship on 08.07.2019. Mr Eshaan singh Takkar is appointed as an additional director on 02.05.2019.

Eleven board Meetings were held during the year on on 07.04.2018, 09.05.2018, 17.05.2018, 30.05.2018, 14.08.2018, 21.08.2018, 03.09.2018, 09.11.2018, 14.11.2018, 11.02.2019, 01.03.2019. There was not a gap of more than 120 days



between two consecutive meetings. All the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been placed before the Board.

The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the company. The company has formulated a policy to familiarize the independent directors which is disclosed in the website of the company.

**Change in directors:**

**Information to Directors:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting to take note of the same.

Apart from the Board members, the Company Secretary is invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

**Post Meeting Action:**

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Company Secretary for the action taken / pending to be taken.

**Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

**Training/Familiarization of Board of Directors :**

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The details of familiarization programme have been posted in the website of the Company under the web link [www.pactindustries.com](http://www.pactindustries.com)

**Remuneration Paid to Directors :**

Looking the scenario of the iron and steel Industry and financial position of the company none of the Executive Directors have taken any remuneration except Mr. Harpreet Singh, Managing Director to whom remuneration of Rs. 5,00,000/- per annum has been paid for the Financial Year 2018-19.

Non Executive Directors are not paid any remuneration for attending Board Meeting and Committee Meetings.

**Separate Meeting of Independent Directors:**

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 17.10.2018 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

### **Code of Conduct for Board members and Senior Management :**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. All the Board members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct is available on the website of the company.

### **BOARD COMMITTEES**

#### **AUDIT COMMITTEE**

The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the audit committee may be grouped under the following heads:

#### **Statutory audit, internal audit, reporting and other aspects**

- 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; ·
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company; ·
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - 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;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval; ·
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the Company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary; \
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;

- discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee. In addition to the above, the following items will be reviewed by the Audit Committee:-
- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the audit committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the Head - Internal Audit

The Audit Committee is vested with the necessary powers to achieve its objectives. The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act. The committee comprises of three Directors, out of which two are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement. In the financial year 2018-19, five meetings were held on 07.04.2018,30.05.2018, 14.08.2018, 09.11.2018, 11.02.2019. Composition of committee as on 31st March, 2019 and member's attendance at the meetings during the year are as under:

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2018-19 are given below:

<b>Name</b>	<b>Status</b>	<b>Category</b>	<b>No. of Meeting Attended during the year 2018-19</b>
Mr. Narinderjit Singh	Chairman	Independent and Non- Executive Director	3
Mr. Sunil Rana	Chairman	Independent and Non- Executive Director	2
Mr. Harjinder Singh	Member	Independent and Non- Executive Director	5
Mr. Harpreet Singh	Member	Executive Director	5

Mr. Sunil Rana has been appointed as chairman of Audit Committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

### NOMINATION AND REMUNERATION COMMITTEE

The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015. The major tasks performed by the Nomination and Remuneration committee may be grouped under the following heads:

The brief terms of reference of the committee inter alia includes:

1. Formulation of the criteria for determining candidature of director and evaluation of Independent Directors and the Board
2. formulate policy relating to the remuneration of the directors, key managerial personnel and other employees and policy on Board diversity;

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. However, the Company has been paying the remuneration during the year as per performance of the Company.

#### • Meetings

No. of meeting of this Committee was held during the year 2018-19

Name	Status	Category	Held	Attended
			No of Meetings Attended during the year 2018-19	
			Held	Attended
Mr. Narinderjit Singh	Chairman	Non Executive & Independent Director	0	0
Mr. Sunil Rana	Chairman	Non Executive & Independent Director	0	0
Mrs. Jasjeet Kaur	Member	Non Executive & Independent Director	0	0
Mr. Harjinder Singh	Member	Non Executive & Independent Director	0	0

Mr. Sunil Rana has been appointed as chairman of Nomination and Remuneration Committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is primarily responsible to review and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and provisions of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of three members, viz.; Sunil Rana, chairman of the committee Mr. Harjinder Singh and Mr. Harpreet Singh, members of the committee. Mr. Sunil Rana has been appointed as chairman of Stakeholders Relationship Committee on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The details of composition & Meeting Details of the Committee are as under:

Name	Status	Category	No of Meetings Attended during the year 2018-19
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			Held	Attended
Mr. Narinderjit Singh	Chairman	Non-Executive & Independent Director	5	3
Mr. Sunil Rana	Chairman	Non-Executive & Independent Director	5	2
Mr. Harpreet Singh	Member	Executive Director	5	5
Mr. Harjinder Singh	Member	Non-Executive & Independent Director	5	5

Ms. Divya Khanna, the Company Secretary was the Compliance Officer during the year under review. She performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. She also carried out her responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies, in respect of implementing laws rules and regulations, and directives of such authorities concerning investor service and complaints. She has tendered her resignation on 30.03.2019.

No complaints were received from the shareholders during the year.

#### **RISK MANAGEMENT COMMITTEE**

The Board comprising of three Non-Executive Independent Directors including one women director viz. Mr. Harjinder Singh, Mr. Sunil Rana and Mrs. Jasjeet Kaur. Mr. Sunil Rana has been appointed as member of Risk Management Committee's on 21.08.2018 in place of Mr. Narinderjit Singh who has resigned from the directorship of the company on 19.08.2018.

#### **FORMULATION OF POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration Committee through discussion evaluated the performance of all non independent directors, Whole time directors and Board. The nomination and remuneration policy is available at the website of the Company.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under Regulation 23 of the SEBI(Listing Obligation & Disclosure Requirements) Regulation 2015 during the financial year were in the ordinary course of business and on an arm length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.pactindustries.com](http://www.pactindustries.com)

#### **SUBSIDIARY COMPANIES**

There is no subsidiary, associate and joint venture of the Company. Thus disclosure on subsidiary and provisions related to consolidated financial statement etc are not applicable.

#### **POLICY FOR PRESERVATION OF DOCUMENTS**

In accordance with regulation 9 of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 the board has during the year adopted a policy for preservation of documents which has been uploaded on the website of the company.

#### **POLICY FOR DETERMINATION OF MATERIALITY OF THE DISCLOSURE OF EVENTS & INFORMATION**

In accordance with regulation 30 (4) of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 a policy has been adopted regarding disclosures of any events or information which, in the opinion of the board of directors is material and the same is also available on the website of the company.

#### **ARCHIVAL POLICY**



In accordance with regulation 30 (8) of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 an archival policy has been adopted during the year by the year which has also been uploaded on the website of the company.

### **WHISTLE BLOWER POLICY**

The company had earlier in accordance with requirement of Companies Act,2013 and erstwhile clause 49 of listing agreement with stock exchange drafted and adopted a whistle blower policy and which is available in the website of the company. Further in accordance with requirement of Para C 10 (c) of SEBI (Listing Obligations and Disclosures ) Regulations, 2015 affirmation is also given that no personnel has been denied access to audit committee.

### **Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

### **GENERAL BODY MEETING**

The details of last three Annual General Meeting of the Company held are given below:

<b>Financial Year</b>	<b>Location of the Meeting</b>	<b>Date</b>	<b>Time</b>
2015 – 2016	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	25.08.2016	11.00 A.M.
2016 - 2017	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	18.07.2017	11.00 A.M.
2017- 2018	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	28.09.2018	11.00 AM

### **MANAGING DIRECTOR/CFO CERTIFICATION**

As required under regulation 17(8) read with schedule II of part B of SEBI (Listing Obligations and Disclosures ) Regulations, 2015, Mr. Harpreet Singh, Managing Director and Mr. Sanjay Kumar Jain, CFO certifies to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
  - i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
  - ii) 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.
- b) To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct
- c) They accepts responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They have indicated to the auditors and the Audit Committee:
  - i) Significant changes in the internal control over financial reporting during the year.
  - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

### **MEANS OF COMMUNICATION**

Annual Reports in respect of each financial year were mailed to all shareholders in September of each calendar year. Each Report contains the annual accounts of the company in respect of the financial year with the Directors' and Auditors' Reports. Also included in each Annual Report is the Notice convening the annual general meeting, the financial year's Corporate Governance Report and the cash flow statement together with the corresponding reports of the auditors.





The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers like **The Financial Express, Business Standard, and Pehredar** (English & Punjabi) and also displayed on Company's website: [www.pactindustries.com](http://www.pactindustries.com).

## **SHAREHOLDER INFORMATION**

**Registered Office** : 303, Hotel The Taksonz,  
Opp. Railway Station,  
Ludhiana Punjab-141008  
Telephone No. – 0161-2731851/852  
Fax no.0161-2721876,  
Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com)

## **PARTICULARS OF DIRECTORS REAPPOINTED**

As required under erstwhile clause 49 of the Listing Agreement, the details of Director appointment/reappointment is given in this annual Report and forms part of this report.

### **Registrar and Transfer Agent**

Shareholders may contact the Company's Registrar and Share Transfer Agent (for both physical and demat segments) at the following address for any assistance regarding dematerialization of shares, share transfers, transmission, change of address, non-receipt of annual report and any other query relating to the shares of the Company:

**M/s. Skyline Financial Services (P) Limited**  
**D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020**  
Tel: 011 – 26812682 / 83 & 64732681 to 88  
Fax: 011 – 26812682  
Email: [info@skylinerta.com](mailto:info@skylinerta.com)  
Website: [www.skylinerta.com](http://www.skylinerta.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

**Plant Location:** The company has sold out movable and/or immovable assets of the company, situated at Bilga Road, Sahnewal Khurd, Ludhiana- Punjab on account of shortage of space required for the smooth working of the premises.

## **COMPLIANCES**

### **Mandatory Requirements**

The Company has fully complied with the applicable mandatory requirement of SEBI (Listing Obligations and Disclosures) Regulations, 2015. As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by M/S **Brij K Tiwari & Associates** (CP No.:2831, FCS : 4442) Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited & Metropolitan Stock Exchange of India Ltd.

A secretarial audit report for the year 2016-17 carried out by M/S **Brij K Tiwari & Associates**, (CP No.: 2831, FCS: 4442), Company Secretaries is annexed to the Directors Report and forms a part of the Annual Report.

### **Shareholders Rights :**

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website [www.pactindustries.com](http://www.pactindustries.com). Hence, these are not individually sent to the Shareholders.

### **Reporting of Internal Auditor:**

The internal auditor reports to audit committee.

## **General Shareholders Information's**



**Annual General Meeting**

Date	:	30 <sup>th</sup> September, 2019
Day	:	Monday
Time	:	11:00 a.m.
Venue	:	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana

**FINANCIAL CALENDAR**

Financial Year	:	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
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Financial results were announced on:

- o August 2018 : First Quarter
- o November 2018 : Second Quarter
- o February 2019 : Third Quarter
- o May 2019 : Audited Results

**Book Closure**

The dates of book closure are from **27<sup>th</sup> September, 2019 to 30<sup>th</sup> September, 2019**(inclusive of both days).

**Demat ISIN Number for NSDL and CDSL** : INE494K01024

**Listing**

At present, the equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and Metropolitan Stock Exchange of India Limited.

Stock Exchange	Stock Code
Bombay Stock Exchange Limited 25 <sup>TH</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	Demat Segment- 538963
Metropolitan Stock Exchange of India Ltd	

**SHARE TRANSFER SYSTEM**

The Company's shares are in demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect.

**Stock Market Data**

Market Price Data as compared to closing Sensex during 2018-19

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (Rs.)	Sensex Closing
Apr-18	4.04	5.18	4.04	4.49	82794	192	379552	35160.36
May-18	4.69	6.81	4.23	6.38	1036693	5253	5758804	35322.38
Jun-18	6.57	6.57	5.15	6	135406	216	775845	35423.48
Jul-18	6.27	6.27	4.85	5.61	3975	33	22113	37606.58
Aug-18	5.88	5.88	4.25	4.25	4745	52	21763	38645.07
Sep-18	4.2	4.2	3.7	4	3843	47	15139	36227.14
Oct-18	4	4.43	3.54	4.43	16187	55	60387	34442.05
Nov-18	4.43	4.92	3.73	3.73	5077	61	21058	36194.3
Dec-18	3.56	3.72	2.74	2.74	13362	66	42581	36068.33



Jan-19	2.75	2.75	2.47	2.49	6026	37	15339	36256.69
Feb-19	2.6	2.6	2.09	2.09	12795	54	30754	35867.44
Mar-19	2	2	1.72	1.72	7880	29	14679	38672.91

**DEMATERIALIZATION OF SHARES:**

As on 31<sup>st</sup> March, 2019, 85.90% of the capital comprising 4,75,98,000 shares, out of total of 5,54,08,000 shares were dematerialized.

**ADDRESS OF CORRESPONDENCE**

Shareholders may contact:

**Ms. Harpreet Singh** (Managing Director) at  
**Registered Office & Works**

:

303, Hotel The Taksonz  
Opp. Railway Station,  
Ludhiana (Punjab) 141008  
Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com)



**TO WHOMSOEVER IT MAY CONCERN**

I, Harpreet Singh, the Managing Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of para D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place: Ludhiana  
Date: 04.09.2019

sd/-  
Harpreet Singh  
Managing Director

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**SECRETARIAL AUDITORS CERTIFICATE OF COMPLIANCES WITH THE CORPORATE GOVERNANCE REQUIREMENT UNDER PART-E OF SCHEDULE-V [Read with Regulations 34(3) and 53(f)] OF SEBI (LODR) REGULATIONS, 2015**

**The Members,  
PACT INDUSTRIES LIMITED,  
303, Hotel TheTaksonz,  
Opp. Railway Station,  
Ludhiana (Punjab) 141008**

We have examined the compliance of conditions of Corporate Governance by M/S PACT INDUSTRIES LIMITED ("the Company"), for the year ended March 31, 2019 as stipulates under PART-E OF SCHEDULE-V [Read with Regulations 34(3) and 53(f)] OF SEBI (LODR) REGULATIONS, 2015 as per revised listing regulations of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing regulations.

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

**For Brij K Tiwari & Associates**

**(Brij K Tiwari)  
Proprietor  
Company Secretary in whole time practice  
FCS : 4442  
C.P. No.: 2831  
Place: Ludhiana  
Dated: 04.09.2019**

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**PACT INDUSTRIES LIMITED**

### **Report on Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **PACT INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made there under, 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 standalone financial statements.

## **Key Audit Matters**

As all the matters are duly disclosed in the accompanying notes to accounts and financial statements so no other matters as a key audit matters is communicated .

## **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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 during the course of our 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's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- 2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For PARMOD G GUPTA & ASSO.**  
**CHARTERED ACCOUNTANTS**  
*(FIRM’S REG. NO. 018870 N)*

**Place: LUDHIANA**  
**Dated: 30.05.2019**

**(PARMOD GUPTA)**  
**PARTNER**  
**M. NO. 096109**



## **Annexure - A to the Independent Auditors' Report**

( Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements ' Section of our report to the Members of PACT INDUSTRIES LIMITED of even date )

### **Report on the Internal Financial Controls over Financial Reporting 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 **PACT INDUSTRIES LIMITED** ("the Company") as of 31 March 2019 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 Board of Directors of the Company 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. 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 respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India 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 judgement, 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 internal financial controls system over financial reporting of the Company.

### **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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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, 2019, 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 PARMOD G GUPTA & ASSO.  
CHARTERED ACCOUNTANTS  
(FIRM'S REG. NO. 018870 N)**

**Place : LUDHIANA  
Dated : 30.05.2019**

**(PARMOD GUPTA)  
PARTNER  
M. NO. 096109**

**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT'S SECTION OF OUR REPORT TO THE MEMBERS OF PACT INDUSTRIES LIMITED OF EVEN DATE).**

- (i) (a) The company has maintained the proper records showing the full particulars including quantitative details and situation of all the fixed assets.
- (b) The fixed assets are physical verified by the management according to a phased programme designed to cover all the items every year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- (ii) (a) In our opinion, and according to the information and explanations given to us, the inventory has been physically verified by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) As per information & explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the companies act, 2013. Accordingly the provision of clause 3(ii)(a),(b) and(c) of the order is not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) The Central Govt. has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the services/material rendered or supply by the company. Thus reporting under Clause-3 (vi) of the order is not applicable to the company.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provided fund, investor education and protection fund, employee's state insurance, income tax, sale tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable except ESI Rs. 23588/- and Labour welfare Fund Rs. 10325/- o/s as on 31.3.2019.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the company has no dues of Income Tax, Sales tax, Custom Duty, Wealth tax, Excise duty, Service Tax and cess, which have not been deposited on account of any dispute.
- (viii) According to the records of the company examined by us and the information and explanation given to us, in our opinion, the company has not defaulted in repayment of loan taken earlier.
- (ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence reporting under clauses 3 (ix) of the order is not applicable to the company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to The Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the company, during the financial year 2018-19, the company has made preferential allotment of 60,00,000 Equity Shares of Rs. 1/- each at a premium of Rs. 3.40 per share.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him with regards to acquisition or to be acquired any fixed assets. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

**For PARMOD G GUPTA & ASSO.  
CHARTERED ACCOUNTANTS  
(FIRM'S REG. NO. 018870 N)**

**Place : LUDHIANA  
Dated : 30.05.2019**

**(PARMOD GUPTA)  
PARTNER  
M. NO. 096109**

# PACT INDUSTRIES LIMITED

(CIN : L18101PB1993PLC013193)

303, Hotel The Taksonz, Opp. Railway Station, G.T. Road, Ludhiana

**BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Refer Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>ASSETS</b>			
<b><u>(1) Non Current Assets</u></b>			
(a) Property, Plant & Equipment	2	11,663,697.03	89,586,479.96
(b) Capital Work-in-Progress			
(c) Tangible Assets			
(d) Financial Assets			
- Investments	3	100,000.00	100,000.00
- Other Financial Assets			
(e) Deferred tax assets (net)		1,277,240.12	
(f) Other non-current Assets	4	2,923,301.92	10,445,708.42
<b><u>(2) Current Assets</u></b>			
(a) Inventories	5	57,449,053.70	97,601,671.00
(b) Financial Assets			
- Investments			
- Trade receivables	6	93,665,759.90	74,058,151.57
- Cash and cash equivalents	7	4,607,257.94	2,933,905.68
- Bank Balances Other than above Loans			
- Other Financial Assets	8	68,108,656.88	78,818,247.39
(c) Other current assets	9	2,708,394.00	482,966.00
<b>Total Assets</b>		<b>242,503,361.49</b>	<b>354,027,130.02</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b><u>EQUITY</u></b>			
(a) Equity Share Capital	10	55,408,000.00	59,408,000.00
(b) Other Equity	11	35,358,395.21	56,580,462.93
<b>Total Equity</b>		90,766,395.21	115,988,462.93
<b>Liabilities</b>			
<b><u>(1) Non Current Liabilities</u></b>			
(a) Financial Liabilities			
- Borrowings	12	2,477,309.00	26,774,920.00
(b) Provisions			
(c) Deferred tax Liabilities (Net)		-	430,647.15
(d) Other Non Current Liabilities			
<b><u>(1) Current Liabilities</u></b>			
(a) Financial Liabilities			
- Borrowings	13	43,346,550.51	95,478,083.56
- Trade Payables	14	40,294,768.15	9,349,417.93
- Other Financial Liabilities	15	57,546,278.42	91,904,533.00
(b) Other Current Liabilities		-	-
(c) Provisions	16	8,072,060.20	14,101,065.45
<b>Total Equity &amp; Liabilities</b>		<b>242,503,361.49</b>	<b>354,027,130.02</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>		-	-
<i>This is the Balance Sheet referred to in our Report of even date addressed to the Members of Pact Industries Limited</i>		<b>AUDITOR'S REPORT</b>	
<b>FOR AND ON BEHALF OF THE BOARD</b>		<b>SUBJECT TO OUR SEPRATE REPORT OF EVEN DATE</b>	
		<b>For PARMOD G. GUPTA &amp; ASSO.</b>	
		<b>CHARTERED ACCOUNTANTS</b>	
<b>(HARPREET SINGH)</b> MG. DIRECTOR DIN: 00570541	<b>(AVTAR SINGH)</b> DIRECTOR DIN: 00570465	<b>(PARMOD GUPTA)</b> PARTNER (MEMBERSHIP NO. 096109) (FIRM REG. NO. 018870 N)	
<b>SANJAY JAIN</b> Chief Financial Officer PAN: AAQPJ0106J PLACE : LUDHIANA DATE : 30.05.2019		<b>Company Secretary</b>	

# PACT INDUSTRIES LIMITED

(CIN : L18101PB1993PLC013193)

303, Hotel The Taksonz, Opp. Railway Station, G.T. Road, Ludhiana

**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2019**

Sr. No	Particulars	Refer Note No.	Trading & Continuing Business for 2018-19	Mfg. and discontinued Business for 2018-19	Total Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	17	344790748.00	203700907.00	548491655.00	571,090,190.00
II	Other Income	18	9705911.08	2553000.00	12258911.08	5,416,002.83
III	<b>Total Revenue (I +II)</b>		<b>354,496,659.08</b>	<b>206,253,907.00</b>	<b>560,750,566.08</b>	<b>576,506,192.83</b>
IV	<b>Expenses:</b>					
a	Cost of materials consumed	19	-	139849904.00	139849904.00	483,940,200.74
b	Purchase of Stock in Trade		349272947.50	0.00	349272947.50	
c	Change in Inventory in WIP, Finished and Traded Goods	20	-7541285.00	24057064.00	16515779.00	
d	Manufactruing Expenses	21	0	37528480.92	37528480.92	65,314,615.66
e	Employee Benefit Expense	22	922797.00	536904.00	1459701.00	1,266,104.00
f	Financial Costs	23	6094467.00	3545893.88	9640360.88	14,018,784.08
g	Administrative Expenses	24	809584.00	471033.24	1280617.24	1,482,267.46
h	Selling & Distribution Expenses	25	23049.00	13411.00	36460.00	66,686.00
i	Repair & Maintenance	26	271205.00	157792.46	428997.46	514,590.98
j	Depreciation and Amortization Expense	27	1268318.00	737935.52	2006253.52	5,666,287.99
k	Development & Research Expenses	28	-	0	0.00	184,824.00
	<b>Total Expenses (IV)</b>		<b>351,121,082.50</b>	<b>206,898,419.02</b>	<b>558,019,501.52</b>	<b>572,454,360.91</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>3,375,576.58</b>	-	<b>2,731,064.56</b>	<b>4,051,831.92</b>
VI	Less: Exceptional Items (Prelimany Exp. W/Off)			-		
VII	Profit before extraordinary items and tax (V - VI)		<b>3,375,576.58</b>	-	<b>2,731,064.56</b>	<b>4,051,831.92</b>
VIII	Extraordinary Items		-	-	-	-
IX	<b>Profit before tax (VII - VIII)</b>		<b>3,375,576.58</b>	-	<b>2,731,064.56</b>	<b>4,051,831.92</b>
X	<b>Tax Expenses:</b>					
	(1) Current tax		915809.00	0.00	915,809.00	1,596,423.71
	(2) Deferred tax		1707887.27	0.00	1,707,887.27	366,740.85
XI	<b>Profit(Loss) from the continuing operations (IX-X)</b>	(IX-X)	<b>751,880.31</b>		<b>3,523,142.83</b>	<b>2,822,149.06</b>
XII	Profit/(Loss) from discontinuing operations	29		644,512.02	-	-
XIII	Tax expense of discontinuing operations			0	-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	644,512.02	-	-
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>751,880.31</b>	-	<b>3,523,142.83</b>	<b>2,822,149.06</b>
XVI	Earning per equity share:					
	(1) Basic				0.07	0.06
	(2) Diluted				0.07	0.06

**SIGNIFICANT ACCOUNTING POLICIES**

1

*This is the Balance Sheet referred to in our Report of even date addressed to the Members of Pact Industries Limited*

**FOR AND ON BEHALF OF THE BOARD**

(HARPREET SINGH)  
MG. DIRECTOR  
DIN: 00570541

(AVTAR SINGH)  
DIRECTOR  
DIN: 00570465

SANJAY JAIN  
Chief Financial Officer  
PAN: AAQPJ0106J  
PLACE : LUDHIANA  
DATE : 30.05.2019

Company Secretary

**AUDITOR'S REPORT**

**SUBJECT TO OUR SEPRATE REPORT OF EVEN DATE**

For **PARMOD G. GUPTA & ASSO.**  
**CHARTERED ACCOUNTANTS**

(PARMOD GUPTA)  
PARTNER  
(MEMBERSHIP NO. 096109)  
(FIRM REG. NO. 018870 N)

## PACT INDUSTRIES LIMITED

**Note No. 3:**

Sr. No	INVESTMENTS ( NON CURRENT ASSETS)	CURRENT YEAR	PREVIOUS YEAR
		-	-
	10000 Units Of SBI Infrastructure Funds having face value Rs. 10/- ( Market Value as on 31.3.2019 is Rs. )	100,000.00	100,000.00
	<b>Total in `</b>	<b>100,000.00</b>	<b>100,000.00</b>

**Note No. 4:**

Sr. No	OTHER NON CURRENT ASSETS	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Security Deposits	-	6,916,580.50
2	Misc. Exp. (Not Written Off)	2,883,301.92	3,529,127.92
3	Security to BSE	40,000.00	-
	<b>Total in `</b>	<b>2,923,301.92</b>	<b>10,445,708.42</b>

**Note No. 5:**

Sr. No	INVENTORIES	CURRENT YEAR	PREVIOUS YEAR
		-	-
<b>A</b>	<b>Inventories</b>		
1	Scrap	11,706,202.70	39,098,496.00
2	Finished Goods	7,101,140.00	31,158,204.00
3	Traded Goods	25,016,211.00	11,338,726.00
4	Consumeable Store	5,015,250.00	2,822,856.00
5	Ferro Alloys/Misc.	8,610,250.00	7,047,189.00
6	Mould	-	6,136,200.00
	(Valued at cost or Net realiseable Price whichever is less as certified by the directors )		
	<b>Total in `</b>	<b>57,449,053.70</b>	<b>97,601,671.00</b>

**Note No. 6**

Sr. No	TRADE RECEIVABLES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b><u>Outstanding for a period less than six months from the date they are due for payment</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	75,290,257.23	44,594,223.50
	c) Unsecured, Considered doubtful	-	-
	Less:- Prov. for doubt debt	-	-
2	<b><u>Outstanding for a period more than six months from the date they are due for payment</u></b>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	18,375,502.67	29,463,928.07
	c) Unsecured, Considered doubtful	-	-
	Less:- Prov. for doubt debt	-	-
	<b>Total in `</b>	<b>93,665,759.90</b>	<b>74,058,151.57</b>



**Note No. 7**

Sr. No	CASH & CASH EQUIVALENT	CURRENT YEAR	PREVIOUS YEAR
A	<b>Balances with banks</b>		
	SBI Margin Money	-	592,690.32
	State bank of India C/A	1,969.05	29,131.75
	FDR	3,726,676.00	-
	Cash on hand	878,612.89	2,312,083.61
	<b>Total in `</b>	<b>4,607,257.94</b>	<b>2,933,905.68</b>

**Note No. 8:**

Sr. No	OTHER FINANCIAL ASSETS	CURRENT YEAR	PREVIOUS YEAR
1	Advance to Suppliers	13,814,358.88	10,047,475.39
2	Cheque received but not deposited in bank	54,294,298.00	68,770,772.00
	<b>Total in `</b>	<b>68,108,656.88</b>	<b>78,818,247.39</b>

**Note No. 9:**

Sr. No	OTHER CURRENT ASSETS	CURRENT YEAR	PREVIOUS YEAR
1	Prepaid Insurance	63,431.00	170,800.00
2	TDS (A.Y. 2019-20)	655,436.00	285,125.00
3	Focus	-	27,041.00
4	TCS (A.Y. 2019-20)	1,669.00	-
5	Adv. Deposit against demand of PSPCL	1,987,858.00	-
	<b>Total in `</b>	<b>2,708,394.00</b>	<b>482,966.00</b>

# PACT INDUSTRIES LIMITED

*Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019*

**Note No. 10:**

Sr. No	SHARE CAPITAL	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b>AUTHORIZED CAPITAL</b> 60000000 (Previous year same ) Equity Shares of Rs. 1/- each.	60,000,000.00	60,000,000.00
		60,000,000.00	60,000,000.00
2	<b>Equity Share CAPITAL</b> <b>Issued Equity Share Capital</b> 55408000 (Previous year 49408000) Equity Shares of Rs. 1/- each.	55,408,000.00	49,408,000.00
	<b>Subscribed &amp; Equity Paid-Up</b> 55408000 (Previous year 49408000) Equity Shares of Rs. 1/- each.	55,408,000.00	49,408,000.00
	<b>Total in `</b>	<b>55,408,000.00</b>	<b>49,408,000.00</b>
	<b>Preference Shares Capital</b> <b>Issued Preference Share Capital</b> 1000000 Preference Shares of Rs. 10/- each. (Prev. Year same)	10,000,000.00	10,000,000.00
		10,000,000.00	10,000,000.00
	<b>Subscribed &amp; Paid-Up Preference Share Capital</b> Nil ( Prev. Yr. 1000000 Preference Shares of Rs. 10/- each.	-	10,000,000.00
	<b>Total B</b>	-	10,000,000.00
	<b>Total in A+B</b>	<b>55,408,000.00</b>	<b>59,408,000.00</b>

**DETAIL OF SHAREHOLDERS HOLDING SHARES MORE THAN 5% (Equity Shares)**

Sr. No	Name of Shareholder	Equity Shares			
		As at 31 March 2019		As at 31 March 2018	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Kartar Finvest Pvt. Ltd.	6600000	11.91	6600000	13.36
2	S. Gurdeep Singh	4267000	7.10	4267000	8.64
3	S. Harpreet Singh	4468100	8.06	2968100	6.01
4	S. Tarunjeet Singh	2857500	5.16	2857500	5.78
5	Preet Builders Pvt. Ltd.	0	0	2500000	5.06
6	S. Avtar Singh	2927000	5.28	2500000	5.06

**DETAIL OF SHAREHOLDERS HOLDING SHARES MORE THAN 5% (Preference Shares)**

1	S. Harpreet Singh	0	0	500000	50.00
2	S. Avtar Singh	0	0	250000	25.00
3	Mrs. Tarunpreet Kaur	0	0	250000	25.00

**Reconciliation of Equity Shares**

Sr. No	Particulars	Equity Shares			
		As at 31 March 2019		As at 31 March 2018	
		Number		Number	
1	Shares outstanding at the beginning of the year	49408000	49408000.00	49408000	49408000.00
2	Shares Issued during the year	6000000	6000000.00	0	0
3	Shares bought back during the year	0	0	0	0
4	Any other movement (please specify)	0	0	0	0
5	Shares outstanding at the end of the year	55408000	55408000.00	49408000	49408000.00

**Reconciliation of Preference Shares**

Sr. No	Particulars	Preference Shares			
		As at 31 March 2019		As at 31 March 2018	
		Number		Number	
1	Shares outstanding at the beginning of the year	1000000	10000000.00	10000000.00	10000000.00
2	Shares Issued during the year	0	0	0	0
3	Shares Redeemed during the year	1000000	10000000.00	10000000	10000000.00
4	Any other movement (please specify)	0	0	0	0
5	Shares outstanding at the end of the year	0	0.00	0	0.00

## PACT INDUSTRIES LIMITED

### Note No. 11: OTHER EQUITY

Sr. No	RESERVES & SURPLUS	CURRENT YEAR	PREVIOUS YEAR
		-	-
a	<b><u>Depreciation Reserve</u></b>		
	Opening Balance	42,469,158.91	37,000,756.83
	Add: Current Year Transfer	1,285,427.52	5,470,224.99
	Less: Written Back in Current Year	34,437,813.31	1,822.91
			-
	Closing Balance <span style="float: right;">A</span>	9,316,773.12	42,469,158.91
b	<b><u>Capital Reserve</u></b>		
	Opening Balance	490,000.00	490,000.00
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	Closing Balance <span style="float: right;">B</span>	490,000.00	490,000.00
c	<b><u>General Reserve</u></b>		
	Opening Balance	2,200,000.00	2,200,000.00
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	Closing Balance <span style="float: right;">C</span>	2,200,000.00	2,200,000.00
d	<b><u>Surplus (Profit &amp; Loss Account)</u></b>		
	Opening Balance	11,421,304.02	8,075,550.05
	Add: Net Profit/(Net Loss) For the current year	3,523,142.83	2,822,149.06
	Less: Depreciation Written back		1,822.91
	Less: Earlier Year Adjustment	686,541.82	-
	Less: Old Income Tax	-	521,782.00
	Less: Loss on sale of fixed assets	10,150,469.65	-
	Less: Prov. For Bad debts ( 17-18 )	1,988,500.00	-
	Add: Income Tax related to previous Year	832,686.71	-
	Closing Balance <span style="float: right;">D</span>	2,951,622.09	11,421,304.02
e	<b><u>Share Premium</u></b>		
	Opening Balance	-	-
	Add: Share Premium on Shares Issued	20,400,000.00	-
	Closing Balance <span style="float: right;">E</span>	20,400,000.00	-
	<b>Total in `</b>	<b>35,358,395.21</b>	<b>56,580,462.93</b>

### Note No.12:

Sr. No	LONG TERM BORROWINGS (NON-CURRENT)	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b><u>Secured Loans</u></b>		
A	Term Loan	2,259,129.00	2,714,769.00
	<b>Less: Installments Due Next Year Shown as Current Liabilites</b>	-	-
	Term loan of Rs. 2259129, twelve principal repayments are shown as current liabilites)	330,000.00	330,000.00
	<b>Balance</b>	1,929,129.00	2,384,769.00
2	<b><u>Unsecured Loans</u></b>		
A	Loans from Advances from related parties (ICD) (of the above is guranteed by Director and/or others)	548,180.00	24,390,151.00
	<b>Total</b>	<b>2,477,309.00</b>	<b>26,774,920.00</b>

## PACT INDUSTRIES LIMITED

**Note No. 13:**

Sr. No	SHORT TERM BORROWINGS (CURRENT)	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b>Secured</b>		
(a)	Loans repayable on demand		
	State Bank of India (C/C) (Secured against Hyp. of stock & Book debts, Collateral Security of Plot)	28,412,008.01	85,412,516.06
	State Bank of India (SLC)	44,712.50	10,065,567.50
	State Bank of India (L/C)	14,889,830.00	-
	<b>Total</b>	<b>43,346,550.51</b>	<b>95,478,083.56</b>

**Note No.14:**

Sr. No	TRADE PAYABLES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b><u>-Sundry Creditors for Materiel/Supplies:</u></b>		
	Trade Creditors	40,294,768.15	9,349,417.93
	<b>Total in `</b>	<b>40,294,768.15</b>	<b>9,349,417.93</b>

**Note No. 15:**

Sr. No	OTHER FINANCIAL LIABILITIES	CURRENT YEAR	PREVIOUS YEAR
		-	-
	<b>Other Payables (Installment dues during the next year)</b>		
	Cheque issued but not presented	53,722,958.38	91,574,533.00
	Repayment of Term Loan	330,000.00	330,000.00
	Rent Payable	36,000.00	-
	Advance from Customers	2,981,060.00	-
	Expenses Creditors	476,260.04	-
	<b>Total in `</b>	<b>57,546,278.42</b>	<b>91,904,533.00</b>

**Note No. 16:**

Sr. No	SHORT TERM PROVISIONS	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b><u>Provision For Employees Benefit</u></b>		
A	ESI Payable	23,588.00	5,458.00
	EPF Payable	15,372.00	183,426.00
	Salary payable	112,510.00	-
b	<b>Other (Specify Nature)</b>	-	-
	GST Payable	6,831,378.20	4,079,041.74
	Audit Fees Payable	76,500.00	78,500.00
	Labour Welfare Fund Payable	10,325.00	7,925.00
	TDS Payable	33,166.00	243,533.00
	Electricity Payable	-	7,906,758.00
	TCS Payable	53,412.00	-
	<b>Provision for Tax</b>		
	- Income Tax	915,809.00	1,596,423.71
	<b>Total in `</b>	<b>8,072,060.20</b>	<b>14,101,065.45</b>

## PACT INDUSTRIES LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2019

**Note No. 2 :**

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end on 31.03.2019	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2019	WDV as on 31.03.2018
I	<b>Tangible Assets</b>										
1	Air Pollution Control Sys	1,416,734.32	-	1,416,734.32	-	839,017.81	-	839,017.81	-	-	577,716.51
2	Air Conditioner	430457.00	37,500.00	467,957.00	-	235,619.52	-	235,619.52	-	-	194,837.48
3	Attendance Machine	14770.00	-	14,770.00	-	8,747.09	-	8,747.09	-	-	6,022.91
4	Building (Unit -II)	34656441.97	-	34,656,441.97	-	8,590,757.74	-	8,590,757.74	-	-	26,065,684.23
5	Car	10,502,347.29	-	-	10,502,347.29	7,083,595.34	1,247,678.00	-	8,331,273.34	2,171,073.95	3,418,751.95
6	Computer	211830.72	43000.00	-	254,830.72	167,307.20	37,252.52	-	204,559.72	50,271.00	44,523.52
7	Cooling Tower	216,500.00	-	216,500.00	-	107,507.49	-	107,507.49	-	-	108,992.51
8	Crain	5,604,015.00	-	5,604,015.00	-	4,580,431.74	-	4,580,431.74	-	-	1,023,583.26
9	Electric Installation	1,453,211.16	-	1,453,211.16	-	657,976.76	-	657,976.76	-	-	795,234.40
10	Fax machine	54389.98	-	-	54,389.98	51,670.48	-	-	51,670.48	2,719.50	2,719.50
11	Furniture & Fixture	34825.50	-	34825.50	-	579.80	-	579.80	-	-	34,245.70
12	Furnace	25,772,937.85	-	25,772,937.85	-	14,411,969.99	-	14,411,969.99	-	-	11,360,967.86
13	Generator	527,521.00	-	527,521.00	-	336,565.98	-	336,565.98	-	-	190,955.02
14	Labortary Equipment	97,673.00	-	97,673.00	-	48,501.52	-	48,501.52	-	-	49,171.48
15	Lorry	1,637,522.00	-	1,637,522.00	-	1,228,018.84	-	1,228,018.84	-	-	409,503.16
16	Machinery (Knitting)	686,559.13	-	686,559.13	-	133,719.72	-	133,719.72	-	-	552,839.41
17	Motor Cycle	19,276.20	-	-	19,276.20	18,312.39	-	-	18,312.39	963.81	963.81
18	Refrigrator	9650.00	-	9,650.00	-	5,950.01	-	5,950.01	-	-	3,699.99
19	Scrap Bailing Press	1,180,000.00	-	1,180,000.00	-	698,819.12	-	698,819.12	-	-	481,180.88
20	Scooter	47,849.51	-	-	47,849.51	45,457.03	-	-	45,457.03	2,392.48	2,392.48
21	Spectometer	1,092,050.00	-	1,092,050.00	-	646,733.41	-	646,733.41	-	-	445,316.59
22	Stabliser	-	85,000.00	-	85,000.00	-	497.00	-	497.00	84,503.00	-
23	Three Wheeler	14,343.85	-	-	14,343.85	13,626.66	-	-	13,626.66	717.19	717.19
24	Transformer	2,613,915.00	-	2,613,915.00	-	1,548,011.67	-	1,548,011.67	-	-	1,065,903.33
25	Truck (Tata 407)	539,679.93	-	-	539,679.93	512,695.93	-	-	512,695.93	26,984.00	26,984.00
26	Weight Scale	145,979.55	-	-	145,979.55	138,680.57	-	-	138,680.57	7,298.98	7,298.98
27	Weighing Scale	606,000.00	-	606,000.00	-	358,885.07	-	358,885.07	-	-	247,114.93
	<b>Total C.Year</b>	<b>89,586,479.96</b>	<b>165,500.00</b>	<b>78,088,282.93</b>	<b>11,663,697.03</b>	<b>42,469,158.88</b>	<b>1,285,427.52</b>	<b>34,437,813.28</b>	<b>9,316,773.12</b>	<b>2,346,923.91</b>	<b>47,117,321.08</b>
	<b>Total P.Year</b>	<b>84,890,702.22</b>	<b>4,695,777.74</b>	<b>-</b>	<b>89,586,479.96</b>	<b>37,000,756.80</b>	<b>5,470,224.99</b>	<b>1,822.91</b>	<b>42,469,158.88</b>	<b>47,117,321.08</b>	<b>53,452,131.21</b>

# PACT INDUSTRIES LIMITED

## Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2019

### Note No.17:

Sr. No	REVENUE FROM OPERATIONS	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Sales	548,491,655.00	571,090,190.00
	<b>Total in `</b>	<b>548,491,655.00</b>	<b>571,090,190.00</b>

### Note No.18:

Sr. No	OTHER INCOME	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Commission	7,901,376.00	5,050,923.00
2	Rebate & Discount	1,507,147.08	190,319.33
3	Interest Income	297,388.00	174,760.50
	Total in `	9,705,911.08	5,416,002.83
4	Lease Rent from factory premises , P & M	2,553,000.00	-
	<b>Total in `</b>	<b>12,258,911.08</b>	<b>5,416,002.83</b>

### Note No. 19:

Sr. No	COST OF MATERIAL CONSUMED	CURRENT YEAR	PREVIOUS YEAR
		-	-
	<b>DIRECT/PRODUCTIONS EXPENSES/TRADED</b>		
	Opening Stock	39,098,496.00	144,648,000.00
1	Purchase	112,457,610.70	434,071,015.74
	Less: Closing Stock	11,706,202.70	94,778,815.00
		139,849,904.00	483,940,200.74
	<b>Material Consumed</b>	<b>139,849,904.00</b>	<b>483,940,200.74</b>

### Note No. 20:

Sr. No	CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b>Inventories ( Op. Stock)</b>	6,136,200.00	144,648,000.00
	Work in Progress	-	-
	Finished Goods	31,158,204.00	-
	Traded Goods	11,338,726.00	-
	Total (A)	48,633,130.00	144,648,000.00
2	<b>Inventories ( Closing Stock)</b>	-	52,281,885.00
	Work in Progress	-	-
	Finished Goods	7,101,140.00	31,158,204.00
	Traded Goods	25,016,211.00	11,338,726.00
	Total (B)	32,117,351.00	94,778,815.00
	<b>BALANCE (A-B)</b>	<b>16,515,779.00</b>	<b>49,869,185.00</b>

### Note No.21:

Sr. No	MANUFACTURING EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	<b>Opening Stock</b>		
	Consumeables Stores	2,822,856.00	-
	Add : Purchase	3,390,085.92	4,786,958.28
	Less:- Closing Stock	5,015,250.00	2,822,856.00
	Consumption A.	1,197,691.92	1,964,102.28
	<b>Opening Stock</b>		
	Ferro Alloys/Misc. Items	7,047,189.00	-
	Add : Purchase	3,612,045.00	-
	Less:- Closing Stock	8,610,250.00	-
	Consumption B.	2,048,984.00	-
	Cartage Inward	-	12,204.00
	Electricity Chagres	33,375,799.00	60,629,099.00
	Duty Unrecoverable Shortage	-	125,378.26
	Import Exp.	-	729,065.12
	Wages Expenses	906,006.00	1,854,767.00
	C.	34,281,805.00	63,350,513.38
	<b>TOTAL A +B+C</b>	<b>37,528,480.92</b>	<b>65,314,615.66</b>

# PACT INDUSTRIES LIMITED

## Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2019

**Note No. 22:**

Sr. No	EMPLOYEE BENEFIT EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Salaries and incentives	908,723.00	767,309.00
2	ESI	17,226.00	32,315.00
3	EPF	31,832.00	79,705.00
4	Bonus	-	40,931.00
5	Leave with Wages	-	102,484.00
6	Directors Remuneration	500,000.00	240,000.00
7	Labour Welfare Fund	1,920.00	3,360.00
	<b>Total in `</b>	<b>1,459,701.00</b>	<b>1,266,104.00</b>

**Note No. 23:**

Sr. No	FINANCE COST	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Bank Charges	895,641.88	548,492.08
2	Bank Interest on C/C	8,525,359.00	13,470,292.00
3	Bank Intt. on Loan	219,360.00	-
	<b>Total in `</b>	<b>9,640,360.88</b>	<b>14,018,784.08</b>

**Note No. 24:**

Sr. No	ADMINISTRATIVE EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	AGM Exp.	8,800.00	-
2	Annual Maintenance Exp.	-	45,185.00
3	Audit Fees	85,000.00	100,000.00
4	Canteen Expenses	-	10,319.00
5	Conveyance Exp.	48,000.00	45,000.00
6	Fees & Taxes	643,430.40	474,165.08
7	General Expenses	56,874.00	54,417.00
8	Insurance	199,756.10	203,670.00
9	Legal & Professional Charges	67,656.74	371,909.38
10	Printing & Stationery	5,390.00	8,120.00
11	Rent	138,000.00	144,000.00
12	Service Tax Expenses/Vat Expenses	-	3,882.00
13	Telephone Expenses	27,710.00	21,600.00
	<b>Total in `</b>	<b>1,280,617.24</b>	<b>1,482,267.46</b>

**Note No. 25:**

Sr. No	SELLING & DISTRIBUTION EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Cartage Outward	-	14,362.00
2	Advertisement Expenses	36,460.00	52,324.00
	<b>Total in `</b>	<b>36,460.00</b>	<b>66,686.00</b>

**Note No. 26:**

Sr. No	REPAIR & MAINTANANCE	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Car & maintenance	132,070.00	129,536.36
2	Truck Repair & Running Exp.	224,170.72	307,686.64
3	Repair & Maintenance	72,756.74	77,367.98
	<b>Total in `</b>	<b>428,997.46</b>	<b>514,590.98</b>

**Note No. 27:**

Sr. No	DEPRECIATION & AMORTIZATION EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Depreciation	1,285,427.52	5,470,224.99
2	Preliminary Exp. W/off	720,826.00	196,063.00
	<b>Total in `</b>	<b>2,006,253.52</b>	<b>5,666,287.99</b>

**Note No. 28.:**

Sr. No	DEVELOPMENT & RESEARCH EXPENSES	CURRENT YEAR	PREVIOUS YEAR
		-	-
1	Development & Research Expenses	-	184,824.00

**TOTAL**      -      **184,824.00**

**PACT INDUSTRIES LIMITED, LUDHIANA**  
**CIN: L18101PB1993PLC013193**  
**F.Y. 2018-19**

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**PART-A**

**NOTE NO.1. SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS**

**Corporate Information:-**

Pact Industries Limited company incorporated in India under the Companies Act, 1956 (now 2013). The company is engaged in manufacturing of Ingots and trading activities during the year 2018-19.

Financial Statements have been drawn on 31.03.2019 comprising of period of 12 months (from 01.04.2018 to 31.03.2018) and previous year 31.03.2018 comprising also 12 months (from 01.04.2017 to 31.03.2018)

The company is a public limited company incorporated and domiciled in India and having its registered office at 303, Hotel The Taksonz, Opp. Railway Station, G.T. Road, Ludhiana, Punjab India. The company has its primary listing on BSE Limited and MCX Stock Exchange in India.

**Significant Accounting Policies:**

i) **BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Indian Accounting Standard) Rule, 2015 as amended and relevant notified under the Companies provisions of the Act.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under Companies (Accounting Standard) Rule, 2006 (Indian GAAP). The company has adopted the Ind AS first time and prepared the financial statement accordance with Ind AS for the year ending 31<sup>st</sup> March 2018 and thereafter. The financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.



ii) **RECOGNITION OF INCOME& EXPENDITURE:-**

All income & expenditure having a material bearing on the financial statements is accounted for an accrual basis and provisions is made for all known losses and liabilities.

a) **Sales :-**

Revenue from sale of goods is recognized

- (i) When all the significant and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- (ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

b) **Interest:-**

Interest is recognized on a time proportion basis into account the amount outstanding and the rate applicable.

c) **Insurance and other Claims:-**

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

iii) **USE OF ESTIMATES:-**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable property, plant and equipments and provisions for impairment.

iv) **VALUATION OF INVENTORIES (IND AS-2) :-**

Inventories are valued at cost or net realizable value, whichever is lower as on 31.03.2019 as per Ind AS-2 issued by The Institute of Chartered Accountants of India. . The cost in respect of the various items of inventory is computed as under:-

The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- The raw material is valued at cost or net realizable value whichever is less at the end of financial year.
- In case of Work in Progress & Finished Goods at weighted average material cost plus conversion costs depending upon the stage of completion.

- In case of Wastage at cost or Net Realizable value whichever is less.
- In case of Goods in transit at cost plus expenses incurred up to their present condition and location.

v) **CASH FLOW STATEMENTS (IND AS-7):-**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 “ Statement of cash flow’s using the indirect method for operating activities. Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

vi) **CURRENT TAXES (IND AS-12):-**

Income tax expenses comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary difference arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary difference are expected to be recovered or settled. The effect of change in tax rates on deferred income tax assets and liabilities is recognized as income or expenses in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is

convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT Credit is allowed to be carried forward. In the year in which the company recognize MAT Credit as an assets in accordance with the Guidance Note on Accounting for credit Available in respect of Minimum alternate tax under the Income Tax Act, 1961, the said assets is created by way of credit to the statement of Profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" assets at each reporting date and writes down the assets to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

vii) **FIXED ASSETS PROPERTY, PLANT & EQUIPMENT (IND AS-16) :-**

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS and hence regarded thereafter as historical cost, Freehold land is carried at cost. All other items of Property, Plant and Equipment comprises:

- Its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- Any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.

viii) **EMPLOYEE RETIREMENT BENEFITS (IND AS-19):-**

**PROVIDENT FUND:-**

Retirement benefits in the form of provident fund/pension is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognized contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**GRATUITY:-**

No provision has been made for gratuity for 2018-19.

ix) **FOREIGN CURRENCY TRANSACTIONS (IND AS-21):-**

- **FUNCTIONAL AND PRESENTATION CURRENCY** :- The functional currency of the company is Indian Rupee. These financial statements are presented in Indian Rupee.
- **TRANSACTION AND BALANCES**:- The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the

exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange difference arising on the settlement of monetary items or on reporting respectively company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognized as income or as expenses in the year in which they arise.

x) **BORROWING COSTS (IND AS-23):-**

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

xi) **EARNINGS PER SHARE (IND AS-33):-**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted earning per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xii) **IMPAIRMENT OF ASSETS (IND AS-36):-**

The company assesse at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balancesheet date there is an indication that if a previously assesses impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill, the impairment loss will be reversed only when it was caused by specific external events and their effects have been reversed by subsequent event.

xiii) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (IND AS-37) :-**

A provision shall be recognized when:-

- (a) an entity has a present obligation as a result of a past event;
- (b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- (c) A reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

xiv) **INTANGIBLE ASSETS (IND AS-38):-**

Intangible assets are stated at cost less accumulated of amortization. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

xv) **DEPRECIATION**

Depreciation is provided on straight line method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013 in respect of the assets acquired after 01.04.2014 and for the assets acquired prior to April 2014 the carrying amount as on 01.04.2014 is depreciated over the remaining useful life based on valuation. Further, significant components of assets identified pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated over their useful life bases on the technical evaluation done by the management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date as disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is 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. Repair and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to self.

xvi) **GOODS & SERVICE TAX**

GST in respect of goods manufactures as well as trading items is accounted for at the time of removal of goods from factory/godown for sale. Purchases and expenses are entered net of GST. GST claimed on purchase is entered in separated a/c and adjusted with the GST payable on sale of goods.

xvii) **CASH & CASH EQUIVALENTS:-**

The company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

xviii) **INVESTMENTS:-**

The company has adopted to measure investments in Equity Shares and mutual funds at cost accordance with IND AS and carrying amount as per previous GAAP at the date of transaction has been considered as deemed cost in accordance with IND AS 101. Further any diminishing in the value has been considered temporary and no provision has been made.

xix) **CONFIRMATION OF DEBIT & CREDIT BALANCES :-**

The use of confirmation evidence is usually very important in the audit of trade debtors & creditors because there are few other sources of external corroborative evidence. It is usually suitable when the majority of the credit customers are reasonable-sized business because existence is an important assertion being verified, it is important that the source from which the sample is tested for completeness. This usually requires selecting the sample selected from a list of balances that has been tested against the sales & purchase ledger respectively and totaled and agreed with the general ledger balance of debtor & creditors, Loans and advances are subject to confirmation and are taken/included in financial statement on the basis of entries in the books of accounts of the concern.

xx) **RESEARCH AND DEVELOPMENT:-**

The company has no activity of Research & Development during the year 2018-19.

xxi) **TECHNICAL KNOW-HOW**

The company has not incurred any expenses for the technical know-how.

**NOTES TO ACCOUNTS**

29. **CURRENT TAX (IND AS-12)** : The provision for current taxes has been made as per detail below on continued business:

		<u>2018-19</u>	<u>2017-18</u>
Provision for taxes	<b>A</b>	915809.00	1596423.71
Provision for taxes on <u>Discontinued business</u>			
Being Loss Suffered		0.00	0.00
So no provision has been made			
Total Current		----- 915809.00 -----	----- 1596423.71 -----

30. The provisions for Deferred Tax Liability in accordance with Indian Accounting Standard –22 has been provided for as per detail below:

<b>PARTICULARS</b>	<b>(2018-19)</b>	<b>(2017-18)</b>
Diff. In net block of assets and depreciation	4912462.09	
Deferred Tax Liability/(Assets)	(1277240.12)	430647.15
Opening Balance of DTL	430647.15	797388.00
Prov. Required to be made / (reversed)	(1707887.27)	(366740.85)

31. The Earning Per Share as per IND AS-33 is as below:-

	<u>2018-19</u>	<u>2017-18</u>
Weighted Average number of Equity Shares	55408000	49408000
Profit after tax exp. as per Profit & Loss A/c	3523142.83	2822149.06
Basic and Diluted Earning Per Share	0.07	0.06

32. **RELATED PARTY TRANSACTIONS (IND AS-24):-**

The company has transacted the following transactions with its related parties required to be disclose as per The Indian Accounting Standard “Related Party Disclosures” (IND AS-24) issued by The Institute of Chartered Accountants of India.

**A. Key Management personnel and relatives of key management personnel:-**

**1. Key Management Personnel:**

- i) S. Avtar Singh, Director
- ii) S. Harpreet Singh, Mg. Director

**2. Relatives of Key Management Personnel**

Charanpreet Singh, Gurdeep Singh, Tanupreet Kaur,  
S. Charanjit Singh Sandhu, S. Eshaan Singh, Harpreet Singh  
Smt. Kartar kaur, S. Tarunjeet Singh, S. Parav Singh

**B. Associates Concerns :-** The company has provided the detail of those concerns with whom the transaction has been made during the year 2018-19.

**C.**

Kartarz Alloys P. Ltd ( S.Harpreet Singh and Eshaan Singh are director)  
M/s Pact Automobiles, ( S. Eshaan Singh is partner)  
Preet Builders Pvt. Ltd ( S.Harpreet Singh is director)  
M/s Preet Steel, Ludhiana ,( a unit of Preet Builders Pvt. Ltd.)  
M/s Singh Steel & Alloys ( S. Parav Singh is prop.)  
M/s Takkar Knit Fab.  
Kartar Finvest P.Ltd., ( S.Harpreet Singh is director)

**TRANSACTION WITH RELATED PARTIES:-**

Name of Transactions During the year	Associate	Key Management personnel	(Amt. in Lac)	
			Relatives of management Personnel	of key
Remuneration	0.00 (0.00)	5.00 (2.40)	6.00 (0.00)	
Rent Paid	0.00 (0.00)	1.44 (0.00)	0.00 (0.00)	
Professional Charges	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	
Sale of Goods	2513.49 (2784.39)	0.00 (0.00)	0.00 (0.00)	
Purchase of Goods	1309.25 (1698.49)	0.00 (0.00)	0.00 (0.00)	
Loans Given by the Company	0.00 (66.75)	0.00 (0.00)	0.00 (21.76)	
Loans Repaid by the Company	0.00 (66.75)	(0.00)	0.00 (21.76)	
Loans Taken by the Company	0.00 (876.18)	0.00 (105.00)	7.00 (27.40)	



Loans Repaid by the Company	238.42 (632.28)	0.00 (105.00)	7.00 (96.46)
Shares Buy back	0.00 (0.00)	75.00 (0.00)	25.00 (0.00)
Fresh Equity Share issued	0.00 (0.00)	132.00 (0.00)	132.00 (0.00)

**\*Note :-** Amount shown in brackets relates to previous year figures.

**33. CONTINGENT LIABILITIES**

**2018-19      2017-18**

- |   |            |     |
|---|------------|-----|
| a. Claims against the company not acknowledged as debts   | NIL        | NIL |
| b. Contingent Liabilities not provided for<br>(The Punjab State Power Corp. Ltd. CGRF, Ludhiana has confirmed the demand of Rs. 7961264/- and 6108636/- on a/c of excess posting and wrong reversal of surcharge vide their memo No. 1698/-/CGL-033/2019 dt. 10.05.19 and the company had deposited 766130/- and Rs. 1221728/- already against the demand respectively and the case is pending with Court .<br>It will be financial loss to the company if the company has to Deposited ) | 14069900/- | NIL |
| c. Estimated amount of contracts remaining to be executed   | NIL        | NIL |

34. Preliminary Exp. w/o off Rs. 196063/- has been taken as on exceptional items during the P.Y. 2017-18 where as the same has been considered under Dep. And amortization exp. during the year under review and accordingly the P.Y. figures has been regrouped.

**35. FOREIGN TRANSACTION (IND-21):**

The company has not transacted any foreign transactions during the year 2018-19.

**36. OPERATING SEGMENT INFORMATION (IND-108):**

The disclosure requirement of the IND AS-108 i.e. "Segment Reporting" is applicable to the company which is given in the Annexure-I attached herewith.

37. As per information given to us the company has no overdue amount in excess of 45 days from the date of acceptance of goods towards MSME units so no provision has been made for interest during the F.Y. 2018-19.
38. The company has total cheque in Hand for Rs. 54294298.00 and cheque issued but not presented for Rs. 53722958.38 O/S as on 31.03.2019 which is duly considered in the financial statements.
39. The debit & credit balances are subject to their confirmation from respective parties.

40. **PAYMENT TO AUDITORS:**

<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Statutory Audit Fee	60000.00	100000.00
Income Tax Matter	15000.00	0.00
GST Audit Fees	10000.00	0.00

41. **Break up value of exp. incurred on employees who:**

- (a) if employed for one or more than one full year were in receipt of remuneration which, in aggregate was not less than Rs. 6000000/- NIL NIL
- (b) if employed for a part of the year were in receipt of remuneration which, for any month of that year Was not less than Rs. 500000/- NIL NIL

42. As the net worth, sale and net profit of the company is less than the limits prescribed during the current year so section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility is not applicable to the company.
43. Previous year figure have been regrouped and/or reclassified, wherever necessary.
44. To comply with the requirement of separate mfg. and trading a/c as per Income Tax Return (i.e. ITR), the indirect/un allocable expenses are taken in proportion to the gross revenue.
45. The company is not regular in paying the provident fund and employees State Insurance during the year 2018-19.
46. A provision for bad & doubtful debt of Rs. 1988500/- claimed by the company during the F.Y. 2017-18 has been debited to Reserve & Surplus a/c during the F.Y. 2018-19.

47. The company has got reduced the credited limit from bank from 11.00 Core to 7.50 Crore during the year under review.
48. The company has buy back its 10,00,000 preference shares issued earlier of face value of Rs. 10/- each amounting to 100 Lac during the year under review.
49. The company has also issued 60,00,000 Equity shares on preferential basis to the promoters/non promoters of Rs. 1/- each at premium of Rs. 3.40 each during the F.Y. 2018-19 amounting to Rs. 264.00 Lac.

50. **DISCONTINUED BUSINESS (IND AS 105):-**

As the company is engaged in the mfg. of the steel ingots which is discontinued during the year 2018-19 and the separate mfg. account has been prepared in compliance with Ind AS 105.

51. The company has also sold the mfg. Unit including factory building, Plant & Machinery etc. where the mfg. activities are carried during the year under review and suffered a loss of Rs. 10150469.65 on the sale of fixed assets which was directly debited to Reserve & Surplus ( Note No.11 ) under the head of (P/L a/c) of other equity.
52. The company has not claimed the depreciation on fixed assets sold during the year 2018-19.
53. The company has planned to open a trading unit of Luxury Cars in the name of M/s Pact Automobiles and invest some amount which was not continued and separate the unit before starting the commercial activities and received back the amount invested.
54. The cost of material consumed indicates the raw material, consumable stores consumed for mfg. the steel ingot and stock in trade indicate purchase & trading activities whereas the both are included under cost of material consumed during the F.Y. 2017-18 along with ferro alloys consumed.
55. As the company discontinued the mfg. activities and the member of employees reduced to the extent below the limit, so surrendered the ESI & EPF registration Number w.e.f. 01.12.2018.
56. **GRATUITY:-** No provision has been made for 2018-19.
57. **AMORTIZATION** :- The company has amortized 1/5<sup>th</sup> of the preoperative expenses during the year 2018-19 Rs. 720826.00.
58. **DISCLOSURE OF INTEREST IN OTHER ENTITIES (IND AS-112):-**

The board of directors has interest in other entities as listed under Related party disclosure.

59. **REVENUE FROM CONTRACT WITH CUSTOMERS (IND AS-115):-**

The proper sale bill is issued when the goods/services are sold to customers before the payment received and the same is presented as amount receivable and no contract is made & required.

60. **INVESTMENTS:-** The company has invested Rs. 1.00 Lac in the mutual fund and the accrued profit will be considered in P/L a/c at the time of redemption/realization.

61. **EVENT AFTER THE REPORTING PERIOD (01.04.2018 TO 31.03.2019) (IND AS-10):-**

The PSPCL, CGRF, Ludhiana has confirmed the demand of Rs. 14069900 vide their order dt. 10.05.2019 which will leads to financial loss to the company subject to adjudication of Higher authority.

62. **LEASE RENT:-**

The company has leased out the mfg. unit for 3 months and received the lease rent duly considered in P/L a/c the unit is further sold during the F.Y. 2018-19.

For & on Behalf of the Board of Directors

For **PARMOD G GUPTA & ASSO.**  
**CHARTERED ACCOUNTANTS**  
**(FIRM'S REG. NO. 018870 N)**

**(HARPREET SINGH) (AVTAR SINGH) (SANJAY JAIN)**  
**MG. DIRECTOR DIRECTOR CFO (KMP)**  
**DIN:00570541 PAN: PAN:AAAQPJ0106J**

**(PARMOD GUPTA)**  
**PARTNER**  
**M. NO. 096109**

Place : LUDHIANA  
Dated : 30.05.2019

**OPERATING SEGMENT INFORMATION:****ANNEXURE-I**

The Company has identified three reportable segments mainly via mfg. of steel ingot, trading of steel & iron and textile/garments. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un-allocable".
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".
- (i) As per Ind AS on Segment Reporting (Ind AS 108) "Operating Segment Reporting", the Company has reported segment information on consolidated.
- (ii) Further explained that the commission, Rebate & Discount, Interest, Income has been taken in trading of steel & Iron whereas lease rent Rs. 25.53 Lac received from factory and Plant & machinery has been reported in Mfg. of Steel Ingots.
- (iii) The factory building, Plant & Machinery has been sold during the year and the company has not claimed any depreciation on assets sold so no dep. shown under mfg. of steel & iron segment.
- (iv) As the company is not maintaining the separate books of accounts and close down the mfg. unit so the segment assets & liabilities are taken in trading segment only.

**SEGMENT REPORTING FOR THE YEAR ENDING 31.03.2019**

(Amt in Lac)

PARTICULARS	TRADING OF STEEL & IRON	TRADING OF TEXTILE/ GARMENTS	MFG. OF STEEL INGOTS	UNALLOCABLE	TOTAL
<b>1</b> <u>SEGMENT REVENUE</u>					
Gross Turnover	3128.63	416.34	2062.54	0.00	5607.51
<b>Net Turnover</b>	3128.63	416.34	2062.54	0.00	5607.51
<b>2</b> <u>SEGMENT RESULT</u>					
<u>BEFORE INTEREST &amp; TAXES</u>	94.70		29.01	0.00	123.72
Less: Interest Expense	60.94		35.46	0.00	96.40
Add: Exceptional Item	0.00		0.00	0.00	0.00
Profit Before Tax	33.76		(6.45)	0.00	27.31
Current Tax	9.16		0.00	0.00	9.16
Deferred Tax (Reverse)	17.08		0.00	0.00	17.08
<b>Profit After Tax</b>	41.68		(6.45)	0.00	35.23
<b>3</b> <u>Other Information</u>					
Segment Assets	2425.03		0.00	0.00	2425.03
Segment Liabilities	1517.37		0.00	0.00	1517.37
Capital Expenditure	1.66		0.00	0.00	1.66
Depreciation	12.85		0.00	0.00	12.85
Non Cash Expense	7.21		0.00	0.00	7.21

## Route map to the venue of the 26<sup>th</sup> AGM of Pact Industries Ltd



Pact Industries Limited  
303 Hotel The Taksonz,  
Opp. Railway Station,  
Ludhiana- Punjab

**PACT INDUSTRIES LIMITED.**  
**Regd. Office: 303, Hotel TheTaksonz, Opp. Railway Station, Ludhiana- Punjab**  
**CIN :L18101PB1993PLC013193**  
**Phone : 0161-2731851/852, Fax: 0161-2721876**

E-mail id :pactindustries1993@gmail.com | Website : [www.pactindustries.com](http://www.pactindustries.com)

**ATTENDANCE SLIP**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.PLEASE ALSO BRING YOUR COPY OF THE ENCLOSED ANNUAL REPORT

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting to be held on Monday, 30<sup>th</sup> September, 2019 at 11:00 A.M. at 303, Hotel TheTaksonz, Opp. Railway Station, Ludhiana- Punjab and any adjournment(s) thereof

Regd. Folio No. :	Name of the shareholder / Proxyin block letters)	Signature
DP ID No.		
Client ID No.		

**PACT INDUSTRIES LIMITED**  
**Regd. Office: 303, Hotel TheTaksonz, Opp. Railway Station, Ludhiana- Punjab**  
**CIN :L18101PB1993PLC013193**  
**Phone : 0161-2731851/852, Fax: 0161-2721876**

E-mail id :pactindustries1993@gmail.com | Website : [www.pactindustries.com](http://www.pactindustries.com)

**Form No. MGT-11**  
**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014  
**CIN :L18101PB1993PLC013193**

**Name of the company:** Pact Industries Limited

**Registered Office:** 303, Hotel TheTaksonz, Opp. Railway Station, Ludhiana- Punjab

Name of the member (s): Registered address: E-mail id: Folio No/ Client Id: DP ID:
--

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

- |    |                   |                   |                |
|----|-------------------|-------------------|----------------|
| 1. | Name : _____      | Address : _____   |                |
|    | E-mail ID : _____ | Signature : _____ | or failing him |
| 2. | Name : _____      | Address : _____   |                |
|    | E-mail ID : _____ | Signature : _____ | or failing him |
| 3. | Name : _____      | Address : _____   |                |
|    | E-mail ID : _____ | Signature : _____ | or failing him |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the company to be held on Monday 30<sup>th</sup> September, 2019 at 11:00 A.M. at 303 Hotel The Taksonz, Opp. Railway Station- Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution Proposed
	<b>Ordinary Business</b>
1	Adoption of Audited Financial Statements of the company, Reports of the Board of Directors and Auditors for the Financial year 31 <sup>st</sup> March, 2019
2	Re-appointment of Mr. Avtar Singh (DIN:00570465)as Director who retires by rotation
3	Appointment of Statutory Auditor of the company
	<b>Special Business</b>
4	Appointment of Mr. Eshaan Singh Takkar as the Director of the company
5	Approve Related Party Transaction
6	Re-appointment of Mr. Harpreet Singh (DIN 00570541), as Managing Director of the Company.

Signed this.....day of.....2019

Signature of Shareholder..... Signature of Proxy holder(s).....

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





## Book Post



If Undelivered please return to

**PACT INDUSTRIES LIMITED**

303 Hotel The Taksonz

Opp. Railway Station

Ludhiana