



# PACT INDUSTRIES LTD.

Date: 01.09.2022

<p>To The Listing Department, Bombay Stock Exchange Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400 001 Scrip Code No. 538963</p>	<p>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</p>
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## **Subject: Intimation of Submission of Annual Report.**

Pursuant to specified regulations of SEBI (Listing Obligation and Disclosure Requirement), 2015, the Annual Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2022 is attached herewith.

You are requested to kindly take note of the same and please take suitable action for dissemination of this Information through your website at the earliest.

This is for your information please.  
Thanking You,

**For Pact Industries Limited**

**Harpreet Singh**  
Managing Director  
DIN: 00570541



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# PACT INDUSTRIES LIMITED

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29th ANNUAL REPORT  
2021-2022



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



**CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	<b>BANKERS</b>
Mr. Harpreet Singh - Managing Director	<b>State Bank of India</b>
Mr. Sanjay Jain - Chief Financial Officer	Overseas Branch
Mr. Sunil Rana – Independent Director	Ludhiana.
Mrs. Jasjeet Kaur – Independent Director	
Mr. Eshaan Takkar – Non Executive Director	<b>REGISTERED OFFICE</b>
	303, Hotel The Taksonz,
<b>COMPANY SECRETARY</b>	Opp. Railway Station,
--	Ludhiana-141008.
<b>STATUTORY AUDITORS</b>	<b>GENERAL INFORMATION</b>
M/s. Parmod G Gupta & Associates, Chartered Accountants Unique Tower, 3 <sup>rd</sup> Floor, Adjoining Corporation Bank, Ludhiana – 141002.	Company's Corporate Identification Number (CIN): L18101PB1993PLC013193 Company's Shares are Listed at BSE and MSEI.
<b>SECRETARIAL AUDITORS</b>	<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>
M/s. Bhambri & Associates, Company Secretaries SCO #9, 2 <sup>nd</sup> Floor, Jandu Towers, Miller Ganj, Ludhiana – 141003.	Skyline Financial Services Private Limited D-153 A, 1 <sup>st</sup> Floor, Okhla Industrial, Area, Phase-I, New Delhi-110020. Tel: 011- 64732681-88 Web: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>29<sup>th</sup> ANNUAL GENERAL MEETING</b>	<b>CONTENTS</b>
	<b>OVERVIEW</b>
	Corporate Information
Day: FRIDAY	
Date: 30 <sup>th</sup> September, 2022.	<b>STATUTORY REPORTS</b>
Time: 11:00 A.M.	Notice
Place: 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008.	Directors' Report
	Management Discussion & Analysis
	Corporate Governance Report
	<b>FINANCIAL STATEMENTS</b>
	Independent Auditor's Report
	Balance Sheet
	Statement of Profit & Loss
	Cash Flow Statement



## **NOTICE**

Notice is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Friday, the 30<sup>th</sup> Day of September, 2022 at 11:00 A.M. at the Registered Office of the company situated at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2022 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To appoint Mr. Harpreet Singh (DIN: 00570541) who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS**

3. 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 are hereby severally 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 are hereby severally authorized to determine the actual quantum 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.”

Date: 31.08.2022  
Place: Ludhiana

By the Order of the Board  
**For Pact Industries Limited**

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

Sd/-  
**(Non-Executive Director)**  
Eshaan Singh Takkar  
DIN: 07194501



**NOTES:**

- i) A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial services Limited.
- v) The Register of Members and the Share Transfer Book of the company will remain closed from 24<sup>st</sup> September, 2022 to 30<sup>th</sup> September, 2022 (both days inclusive).
- vi) In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company’s website: <http://www.pactindustries.in>, website of the Stock Exchange , i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and MSEI at <https://www.msei.in/>. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- vii) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- viii) Mr. Ansh Bhambri, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- ix) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer’s report shall be placed on Company’s website of CDSL and will be communicated to the stock exchanges.



x) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means.

xi) **The instructions for shareholders voting electronically are as under:**

- a) The voting period begins on Tuesday, 27<sup>th</sup> September, 2022 at 9:00 A.M and ends on Thursday, 29<sup>th</sup> September 2022 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 cut-off date i.e. 23<sup>rd</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date through e-voting would not be entitled to vote at the meeting value.
- c) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- d) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal</p>



	Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

e) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.



- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <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.</li></ul>

- f) After entering these details appropriately, click on “SUBMIT” tab.
- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN for the relevant **<220825065><PACT INDUSTRIES LIMITED>** on which you choose to vote.
- j) 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.
- k) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l) 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.
- m) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



- n) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- o) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

p) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

q) **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES:**

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company / RTA email id** ([info@skylinerta.com](mailto:info@skylinerta.com)) and ([parveen@skylinerta.com](mailto:parveen@skylinerta.com)) .
2. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP).



3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Date: 31.08.2022

Place: Ludhiana

By the Order of the Board  
**For Pact Industries Limited.**

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

Sd/-  
**(Non-Executive Director)**  
Eshaan Singh Takkar  
DIN: 07194501

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

**ITEM NO: 3**

**To Approve Related Party Transaction:**

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 its meeting held on **14.02.2022** provided the approval for the transaction mentioned below and recommended the board of director of the same. Board of Director also approved the same in its meeting held on **14.02.2022** subject to approval of shareholder.

The proposal outlined above is in the interest of the Company and the Board recommends 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>
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 goods, material or services	20 Crore
Preet Builders Pvt. Ltd. and its unit Preet Steel	Mr. Harpreet Singh	Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property goods, material or services	20 Crore

Date: 31.08.2022

Place: Ludhiana.

By the Order of the Board  
**For Pact Industries Limited.**

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

## **BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

**The Members,**  
PACT INDUSTRIES LIMITED,  
Ludhiana.

Your directors feel pleasure in presenting the 29<sup>th</sup> Annual Report together with Audited Annual Accounts of Pact Industries Limited for the year ended 31<sup>st</sup> March, 2022.

### **FINANCIAL RESULTS:**

The summary of the financial performance of the Company for the financial year ended March 31, 2022 compared to the previous year ended March 31, 2021 is given below:

Particulars	(in lakh)	
	Financial Year ended 31 <sup>st</sup> March,2022	Financial Year ended 31 <sup>st</sup> March,2021
Revenue from Operations and Other Income (Total Revenues)	2830.09	4146.88
Gross profit before interest and depreciation	106.16	115.07
Finance cost	75.73	66.58
Profit before depreciation and amortization- (Cash Profit)	30.43	48.49
Depreciation and Amortization	20.99	18.14
PBT before exceptional items	9.44	30.35
Exceptional items	0	0.00
Profit before Tax (PBT)	9.44	30.35
Provision for Tax- Current	1.53	2.03
Provision for Tax- Deferred	2.52	1.74
Profit after Tax	5.39	26.58
Earnings Per Share (EPS) (in Rs) (after exceptional item )		
- Basic	0.01	0.05
- Diluted	0.01	0.05

#### **1. STATE OF COMPANY'S AFFAIRS:**

Total Revenue from Operation for the year is Rs. 2830.09 Lakhs as compared to Rs. 4146.88 Lakhs of previous year. The Net Profit for the year ended 31.03.2022 is Rs. 5.39 Lakhs as compare to Net Profit of Rs. 26.58 Lakhs for the previous year.

#### **2. TRANSFER TO RESERVE:**

The company has not transferred profits to the reserves and surplus during the year under review.

#### **3. DIVIDEND:**

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

#### **4. 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.

**5. 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.

**6. CHANGE IN THE NATURE OF BUSINESS:**

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

**7. SHARE CAPITAL:**

During the year No equity shares were allotted to promoters or public.

**7.1 BUY BACK OF SECURITIES:**

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

**7.2 SWEAT EQUITY:**

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

**7.3 BONUS SHARES:**

No Bonus Shares were issued during the year under review.

**7.4 EMPLOYEES STOCK OPTION PLAN:**

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

**8. FINANCE:**

**8.1 CASH AND CASH EQUIVALENT:**

Cash and Cash equivalent as at 31<sup>st</sup> March, 2022 is Rs. 6.06 Lakh. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

**8.2 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 are no deposits pending as on 31<sup>st</sup> March, 2022.

**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.

**9. 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 No Change in the Board of Directors of the Company during the Financial Year i.e. 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

#### **9.1 KEY MANAGERIAL PERSONNEL (KMP):**

During the Financial Year 2021-22, Ms. Shilpa Mittal was appointed as a Company Secretary cum Compliance Officer of the Company on 12.04.2021 and had subsequently resigned on 17.05.2021. Thereafter, No Company Secretary and Compliance Officer was appointed by the Company till 28.10.2021 whereby Ms. Sharon Arora was appointed.

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

Nine meetings of the Board of Directors were held during the year. The details of which are as following:

##### **Details of the Meeting:-**

<b><u>Sr. No.</u></b>	<b><u>Date of Meeting</u></b>
1.	12-04-2021
2.	17-05-2021
3.	30-06-2021
4.	13-08-2021
5.	25-08-2021
6.	15-10-2021
7.	28-10-2021
8.	12-11-2021
9.	14-02-2022

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.

#### **10. 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.

#### **11. 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 29.03.2022, 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 details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014 is enclosed herewith as 'Annexure - A'

**12. 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.

**13. 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, 2022 is given in Report on Corporate Governance, which forms a part of this Report.

**14. 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.

**15. 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 for the Financial Year ended 31<sup>st</sup> March, 2022 the applicable Accounting Standards have 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 judgement 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.

## 16. AUDITORS:

### 16.1 STATUTORY AUDITORS:

At the Annual General Meeting M/s Parmod G Gupta & Associates, Chartered Accountants, (Firm Registration No. 018870N) was appointed as a Statutory Auditor of the Company to hold the office commencing from Annual General Meeting for the Financial Year 2020-21 till the conclusion of Annual General Meeting for the Financial Year 2022-23. Accordingly the appointment of M/s Parmod G Gupta & Associates, Chartered Accountants, as statutory auditors of the Company, was approved for a period of three years i.e. till the Annual General Meeting to be held in 2023. They have confirmed their eligibility to the effect that their re-appointment if made would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

### 16.2 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, M/s Bhambri & Associates (C.P No. 22626) was appointed as Secretarial Auditor of the Company for the Financial Year 2021-2022. The Secretarial Audit Report is annexed herewith as 'Annexure – B'.

The Board of Directors of the Company has appointed M/s Bhambri & Associates, Company Secretaries to undertake the secretarial audit of the company for the Financial Year 2022-2023.

The Secretarial Auditor in his report stated the following observations / qualifications:

1. *The Company had not published the Financial Results in the newspaper for quarter ended 30.06.2021, 30.09.2021, 31.12.2021 and 31.03.2022.*
2. *The Company has not paid the Annual listing fee to the exchanges.*
3. *The Company had not provided e-voting facility to the shareholders / Members on Annual General Meeting.*
4. *The company has not paid the Penalty levied by:*

#### Explanation / Comment from the Board:

1. *The Company is of the opinion that the information is already being shared on all possible channels.*
2. *The company has asked for delisting of securities from MSEI, however MSEI has not taken any steps for the same.*
3. *There was a delay was due to reconciliation of payment of depository, which was resolved thereafter.*
4. *The explanations are as under*
  - a. *The Company has appointed a company secretary and had complied to the provision.*
  - b. *The delay was due to reconciliation of payment of depository, which was resolved thereafter.*
  - c. *The delay was due to reconciliation of payment of depository, which was resolved thereafter.*

BSE	Regulation 6 (LODR)	Not appointed Company Secretary
BSE	Regulation 31 (LODR)	Not filed shareholding pattern on time
MSEI	Regulation 31 (LODR)	Not filed shareholding pattern on time

Further the Secretarial Auditor reported that

- The scrip of the company has been suspended due to non-payment of ALF dues.

Explanation / Comment from the Board:

The Company has not paid Listing fee to MSEI and has raised a dispute and also its intention to delist from MSEI but still the MSEI has been raising additional invoices for Annual Listing Fee. This has caused the scrip of the company to be suspended, for which the company shall be filing application for removal of the restriction.

**16.3 INTERNAL AUDITORS:**

Mr. Bipin Bihari Singh performs the duties of internal auditor of the company and his report is reviewed by the audit committee from time to time and has been re-appointed for FY 2022-23 and onwards.

**16.4 COST AUDITOR:**

The Cost Audit was not applicable on the Company during the Financial Year 2021-22 as per Companies (Cost record & audit) Rules, 2014.

**17. 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.

**18. LISTING OF SECURITIES:**

The Securities of the Company are listed on Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. *The Company has not paid Annual Listing Fees for the year Financial Year 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 and is in violation of SEBI & Exchange Regulations.*

**19. COMMITTEES OF THE BOARD:**

a) **Audit Committee:** The company had constituted Audit Committee of the Company in compliance with provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1.	Mr. Sunil rana	Chairman
2.	Mrs. Jasjeet Kaur	Member
3.	Mr. Harpreet Singh	Member

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. During the year under



review, the Audit Committee Members, met Five (5) times on 30.06.2021, 13.08.2021, 25.08.2021, 12.11.2021 and 14.02.2022.

**b) Nomination and Remuneration Committee:** The company had constituted Nomination and Remuneration Committee of the Company in compliance with provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1.	Mr. Sunil Rana	Chairman
2.	Mrs. Jasjeet Kaur	Member
3.	Mr. Eshaan Singh Takkar	Member

The Nomination and Remuneration Committee Members met Three (3) times on 12-04-2021, 17-05-2021 and 28-10-2021.

**c) Stakeholder's Relationship Committee:** The company had constituted Stakeholder Relationship Committee (SRC) of the Company in compliance with provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1.	Mr. Sunil Rana	Chairman
2.	Mr. Harpreet Singh	Member
3.	Mrs. Jasjeet Kaur	Member

The complaints received during the year, if any, were duly resolved. The Committee meets as and when required, to deal with the investor related matters. The Stakeholder Relationship Committee Members met two (2) times on 25.08.2021 and 14.02.2022.

**d) Risk Management Committee:** The Company had constituted Risk Management Committee in compliance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1.	Mr. Eshaan Singh Takkar	Chairman
2.	Mr. Jasjeet Kaur	Member
3.	Mr. Sunil Rana	Member

No Risk Management Committee meeting was held during the year under review.

## 20. 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.

## 21. ANNUAL RETURN:

The Annual Return of the Company for the Financial Year 2020-2021 (Form MGT-7) can be found on the website of the Company for which the link has been provided as follows:

<https://www.pactindustries.in/financial-reports/>

**22. 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.

**23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

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

**24. 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. The materially significant transactions with related parties during the financial year which were not 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.

**25. CORPORATE GOVERNANCE:**

Corporate Governance Regulations under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, are not applicable to the Company but still the company has been doing some compliances on voluntary basis.

**26. 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 2021-22 no complaints were received by the Company related to sexual Harassment.

**27. 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".

**28. 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 Composition of company constitutes One Executive Director (MD) only. No sitting fees have been paid to any director during the Financial 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 7,20,000/- per annum.

**29. 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.

**30. 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.

Date: 31.08.2022

Place: Ludhiana

**For Pact Industries Limited.**

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

Sd/-  
**(Non-Executive Director)**  
Eshaan Singh Takkar  
DIN: 07194501

**'ANNEXURE – A'**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

(a) Ratio of the remuneration of each director to the median remuneration of employee of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2021-22:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2021-22	% increase in Remuneration in the financial year 2021-22	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Harpreet Singh (Managing Director)	7,20,000	0	1.64:1
2	Mr. Eshaan Singh Takkar (Non-Executive Director)	0.00	0	N.A
3	Mrs. Jasjeet Kaur (Independent Director)	0.00	0	N.A
4	Mr. Sunil Rana (Independent Director)	0.00	0	N.A
5	Mr. Sanjay Jain (Chief Financial Officer)	0.00	0	N.A
6	Ms. Shilpa Mitta <sup>#</sup> (Company Secretary)	10000.00	0	0.02:1
7	Ms. Sharon Arora (Company Secretary)	12000.00	0	0.03:1

<sup>#</sup> Appointed on 12.04.2021 and Resigned from the Company w.e.f. 17.05.2021.

(b) The median remuneration of employees of the Company during the financial year 2021-22 was Rs. 4.39 Lacs p.a. (approx).

(c) There were 4 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2022.

(d) Average percentage increase in the salaries of the employees other than the managerial personnel in the financial year 2021-22 was 32.94 % whereas the increase in the managerial remuneration for the same financial year was 0%

(e) It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2022 is as per the Remuneration Policy of the Company.





**Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

**LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:**

Sr. No.	Name of Employee	D.O.B / Age	Designation	Qualification	Total Experience	Date of Commencement of Employment in Company	Remuneration drawn during the year (In Lakh)	Previous Employer
1	Parv Singh Takkar	23.03.1995	Executive	Graduation	5 Year	01.04.2020	6.00	Preet Builders Pvt Ltd
2	Charu Sharma	15.12.1984	Executive	Graduation	2 Year	01.11.2020	2.66	Data Not available
3	Amrinder Singh	10.02.1988	Skilled	Graduation	10 Year	01.04.2021	3.00	Data Not Available
4	Parshotam Dass	05.01.1995	Skilled	Graduation	7 Year	01.04.2021	3.00	Data Not Available

**Note:**

Details of Top Ten Employees in the terms of Remuneration has been given excluding Managing Director / Whole Time Directors of the Company.

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**'ANNEXURE – B'**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the**  
**Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**The Members,**  
**Pact Industries Limited,**  
**303, Hotel The Taksonz, Opp. Railway Station,**  
**G.T. Road, Ludhiana - 141008**  
**CIN: L18101PB1993PLC013193**

We have conducted the secretarial audit, on test basis, 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 my opinion thereon.

Based on our verification, on test basis, 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 on 31<sup>st</sup> March, 2022** ('Audit Period') 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, on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022, to the extent applicable and 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:



- All labour laws;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as follows:

1. *The Company had not published the Financial Results of the Company in the newspaper for quarter ended 30.06.2021, 30.09.2021, 31.12.2021 and 31.03.2022.*
2. *The Company has not paid the Annual listing fee to the exchanges.*
3. *The Company had not provided e-voting facility to the shareholders / Members on Annual General Meeting.*
4. *The company has not paid the Penalty levied by:*

BSE	Regulation 6 (LODR)	Not appointed Company Secretary
BSE	Regulation 31 (LODR)	Not filed shareholding pattern on time
MSEI	Regulation 31 (LODR)	Not filed shareholding pattern on time

**We further report that**

*The Board of Directors of the Company is duly constituted except the Company had no Company Secretary cum Compliance officer for the period from 17.05.2021 till 28.10.2021. The changes, if any, 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 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 decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc except *that the trading in the Scrip of the company has been suspended due to non-payment of ALF dues and is in violation of SEBI & Exchange Regulations.*

Place: Ludhiana  
Dated: 19.08.2022  
Sd/-

(Ansh Bhambri)  
Bhambri & Associates  
Company Secretary in whole time practice  
C.P. No. 22626

UDIN: A060218D000815588  
Peer review number: 1203/2021

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-A' and forms an integral part of this Report.**

**'ANNEXURE A'**

The Members,  
Pact Industries Limited,  
303, Hotel The Taksonz, Opp. Railway Station,  
G.T. Road, Ludhiana - 141008



**CIN: L18101PB1993PLC013193**

Our Report of even date is to be read along with this letter.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
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. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Place: Ludhiana**  
**Dated: 19.08.2022**

**Sd/-**

**(Ansh Bhambri)**  
**Bhambri & Associates**  
**Company Secretary in whole time practice**  
**C.P. No. 22626**

**‘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 arm’s 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, 2022, which were not at Arm’s Length basis.

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

S.No.	Name	Date of approval	Relation	Nature of Transaction	Value for the year
1	Harpreet Singh	09.02.2021	Promotor/Director	Remuneration	720000
2	Harpreet Singh	09.02.2021	Promotor/Director	Loan	121166@
3	Parav Singh Takkar	09.02.2021	Director's Relatives	Loan	1650000@
4	Parav Singh Takkar	09.02.2021	Director's Relatives	salary	600000
5	Eshaan Singh	09.02.2021	Promotor/Director	Loan	1682000@
6	Tanupreet Kaur	09.02.2021	Director's Relatives	Loan	1800000@
7	Preet Steel	09.02.2021	Promotor Co.	Sale	134139806
8	Preet Steel	09.02.2021	Promotor Co.	Purchases	32308386
8	Kartarz Alloys Pvt.Ltd.	09.02.2021	Promotor Co.	Sale	56921433
9	Kartarz Alloys Pvt.Ltd.	09.02.2021	Promotor Co.	Purchases	137250105
10	Pact Automobiles	09.02.2021	Firm	Lease Rent	159300

@ Depicts the Loan amount outstanding at 31.03.2022 and the value for the financial year 2021-22 is NIL

**Note: The above data has been compiled on the bases of the notes to accounts, please refer Note 30 in Notes to Accounts in Balance Sheet for detailed information.**

**'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]

**A. 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 equipment's** – Due to Industry scenario in previous year company was not able to spend any money on equipment's for energy conservation.

A	Power and Fuel Consumption		2021-22	2020-21
1.	<b>Electricity – Own Generation</b>			
	Unit Produced	KWH	6107 unit	5254 unit
	Cost of Diesel	Rs.	85500	68300
	Cost Per Unit	Rs.	14.00	13.00
2.	<b>Electricity – Purchased</b>			
	Unit Purchased	KWH	63680 Unit	27596 unit
	Total Amount	Rs.	496700.00	234010.00
	Rate Per Units	Rs.	7.80	8.48
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)**

	<b>2021-22</b>	<b>2020-21</b>
a) Earning (Export Sales- FOB Value)	NIL	NIL
b) Outgo:		
i) Imports-Raw Material & Spares	0	0
Capital Goods	NIL	NIL
ii) Expenditure	NIL	NIL
c) Net Foreign Exchange Earnings	NIL	NIL

By the Order of the Board  
**For Pact Industries Limited.**

Date: 31.08.2022  
Place: Ludhiana

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

## **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 4 Directors Comprising of One Executive Director; Three Non-Executive Director out of which Two are Non-Executive Independent Directors. The Board periodically evaluates the need for change in its composition and size.

Nine Board Meetings were held during the Financial Year 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022. Details of the meetings are as following:-

<b>Sr. No.</b>	<b>Date of Meeting</b>
1.	12-04-2021
2.	17-05-2021
3.	30-06-2021
4.	13-08-2021
5.	25-08-2021
6.	15-10-2021
7.	28-10-2021
8.	12-11-2021
9.	14-02-2022

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.



**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.in](http://www.pactindustries.in)

**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. 7,20,000/- per annum has been paid for the Financial Year 2021-22.

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 29<sup>th</sup> March, 2022 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 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 2021-22, five meetings were held on 30.06.2021, 13.08.2021, 25.08.2021, 12.11.2021 and 14.02.2022. Composition of committee as on 31<sup>st</sup> March, 2022 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 2021-22 are given below:

Name	Status	Category	No of Meetings Attended during the year 2020-21	
			Held	Attended
Mr. Sunil Rana	Chairman	Non-Executive & Independent Director	5	5
Mr. Harpreet Singh	Member	Executive Director	5	5
Mrs. Jasjeet Kaur	Member	Non-Executive & Independent Director	5	5

### 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

In the Financial Year 2021-22, three meetings were held on 12-04-2021, 17-05-2021 and 28-10-2021.

Name	Status	Category	No of Meetings Attended during the year 2021-22	
			Held	Attended
Mr. Sunil Rana	Chairman	Non Executive & Independent Director	2	2
Mrs. Jasjeet Kaur	Member	Non Executive & Independent Director	2	2
Mr. Eshaan Singh Takkar	Member	Non-Executive Director	2	2

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

In the Financial Year 2021-22, two meetings were held on 25-08-2021 and 14-02-2022.

Name	Status	Category	No of Meetings Attended during the year 2021-22	
			Held	Attended
Mr. Sunil Rana	Chairman	Non-Executive & Independent Director	2	2
Mr. Harpreet Singh	Member	Executive Director	2	2
Mrs. Jasjeet Kaur	Member	Non- Executive & Independent Director	2	2

No complaints were received from the shareholders during the year.

### **RISK MANAGEMENT COMMITTEE**

The Board comprises of Three Non-Executive Directors including 2 Independent Directors out of which 1 is Women Director viz. Mr. Eshaan Singh Takkar, Mr. Sunil Rana and Mrs. Jasjeet Kaur.

### **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.in](http://www.pactindustries.in)

### **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 was adopted in the previous years and was 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:

Financial Year	Location of the Meeting	Date	Time
2018 – 2019	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	30.09.2019	11.00 AM.
2019 – 2020	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	28.12.2020	12:00 NOON
2020-21	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	27.09.2021	11:00 AM

Financial Year	SR passed. if any	Resolution passed
2018 – 2019	Approve Related Party Transaction Re-appointment of Mr. Harpreet Singh (DIN 00570541), as Managing Director of the Company.	YES
2019 – 2020	Re-appointment of Mrs. Jasjeet Kaur (DIN: 07130910) as an Independent Director of the Company for term of Five Years.  To Increase the Borrowing Powers of the Company under Section 180(1) (c) of the Companies Act, 2013  To Increase the Borrowing Powers of the Company for Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013.	YES
2020-21	To approve Increase in Remuneration of Mr. Harpreet Singh, Managing Director of the Company	YES



### CEO (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 ended 31<sup>st</sup> March 2022 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 accept 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.

**For Pact Industries Limited.**

Date: 31.08.2022  
Place: Ludhiana

Sd/-  
**(Managing Director)**  
Harpreet Singh  
DIN: 00570541

Sd/-  
**(CFO)**  
Sanjay Jain  
PAN: AAQPJ0106J



## MEANS OF COMMUNICATION

Annual Reports in respect of each financial year were mailed to all shareholders in due time. 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 by the auditor.

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).

## 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

## PARTICULARS OF DIRECTORS REAPPOINTED

As required under erstwhile clause 49 of the Listing Agreement, the details of Director appointment / reappointment are 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.

## 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 Bhambri & Associates**, 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.

**Shareholders Rights:**

The quarterly and half-yearly financial results are published in widely circulated dailies and also displayed on Company's website [www.pactindustries.in](http://www.pactindustries.in). 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, 2022  
Day : Friday  
Time : 11:00 A.M.  
Venue : 303, Hotel The Taksonz, Opp.Railway Station,  
Ludhiana

**FINANCIAL CALENDAR**

Financial Year : 01<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022

Financial results were announced on:

- o July 2021 : First Quarter
- o September 2021 : Second Quarter
- o November 2021 : Third Quarter
- o February 2022 : Fourth Quarter

**Book Closure**

The dates of book closure are from 24<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022. (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	Scrip Code- 538963
Metropolitan Stock Exchange of India Ltd	Symbol: PACT

**SHARE TRANSFER SYSTEM**

The Company's shares are in Demat Form. 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 2021-22.

Some of the information was not available as the Scrip of the Company had been suspended by the Stock Exchange.

Month	BSE				
	Share Prices		No. of Trades	Sensex	
	High	Low		High	Low
April, 2021	2.15	2.15	1	50,375.77	47,204.50
May, 2021	2.25	2.05	19	52,013.22	48,028.07
June, 2021	2.05	1.78	49	53,126.73	51,450.58
July, 2021	1.78	1.62	26	53,290.81	51,802.73
August, 2021	1.86	1.62	34	57,625.26	52,804.08
September, 2021	2.11	1.74	36	60,412.32	57,263.90
October, 2021	2.19	1.90	68	62,245.43	58,551.14
November, 2021	2.19	2.00	32	61,036.56	56,382.93
December, 2021	2.45	2.19	40	59,203.37	55,132.68
January, 2022	3.10	2.50	134	61,475.15	56,409.63
February, 2022	3.25	2.95	20	59,618.51	54,383.20
March, 2022	2.81	2.54	53	58,890.92	52,260.82

#### DEMATERIALISATION OF SHARES:

As on 31<sup>st</sup> March, 2022, 86.33% of the capital comprising 4,78,33,975 shares out of total of 5,54,08,000 shares were dematerialized.

#### ADDRESS OF CORRESPONDENCE

Shareholders may contact:

**Ms. Harpreet Singh** (*Managing Director*) at : 303, Hotel The Taksonz  
**Registered Office & Works** Opp. Railway Station,  
 Ludhiana (Punjab) 141008

Email: 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 for the Financial Year ended 31<sup>st</sup> March 2022 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: 31.08.2022

Harpreet Singh  
Managing Director

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of,  
**PACT INDUSTRIES LIMITED,**  
303, Hotel The Taksonz, Opp. Railway Station,  
G.T. Road, Ludhiana PB 141008

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PACT INDUSTRIES LIMITED** having CIN: **L18101PB1993PLC013193** and having registered office at 303, Hotel The Taksonz, Opp. Railway Station, G.T. Road, Ludhiana PB 141008 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my / our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ending on 31<sup>st</sup> March, 2022** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Directors Details			
Sr. No.	DIN/PAN	Name	Date of appointment / Cessation
1	0000570541	HARPREET SINGH	31/03/1993
2	0007130910	JASJEET KAUR	25/03/2015
3	0007194501	ESHAAN SINGH TAKKAR	02/05/2019
4	0008204920	SUNIL RANA	21/08/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 **BHAMBRI & ASSOCIATES**

Sd/-  
(Ansh Bhambri)

Proprietor

Membership No.: A60218

CP No.: 22626

Place: Ludhiana

Dated: 19.08.2022

UDIN: A060218D000815203

Peer review number: 1203/2021

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**PACT INDUSTRIES LIMITED**  
**Report on Financial Statements**  
**Opinion**

1. We have audited the accompanying financial statements of **PACT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

2. 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**

3. 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**

4. 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 Annexure 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.

### **Managements' Responsibility for the Financial Statements**

5. The company's Board of Directors is responsible for the matters stated in Section 134 (5) of The Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the IND AS and Accounting principles generally accepted in India, including the Accounting Standards specified under 133 of The Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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**

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

#### 11. Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss, other comprehensive income, statement of change in Equity including Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure "B". 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 no pending litigation with any department so no impact on its financial statements;

ii) As there are not any material foreseeable losses, on long term contracts, therefore the company has not made any provision, required under the applicable law or accounting standards.

iii) There has been no delay in transferring amounts, required to be transferred if any, to the investor Education and Protection Fund by the Company.

iv. a The Management has represented that to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;

b The Management has represented that to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity including foreign entity ("Funding Parties") with the understanding whether recorded in writing or otherwise that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;

c Based on the audit procedures that have been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and(b) above contain any material misstatement.

j. The company has neither declared a nor paid any dividend during the previous year as well as current year.

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

Place : LUDHIANA  
Dated : 30.05.2022

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

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit we state that :

i. In respect of the Company's Property Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and

situation of Property Plant and Equipment and the company has no right-of-use assets.

(B) The Company has no intangible assets.

(b) The Company has a program of physical verification of Property Plant and Equipment so to cover all the assets once every three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program certain Property Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) As per information and explanation given to us , the company has no immoveable property during the year 2021-22 , hence reporting under clause 3(i) (c) of the Order is not applicable.

(d) The Company has not revalued any of its Property Plant and Equipment during the year.

(e) As per information and explanation given to us ,no proceedings have been initiated during the year or are pending against the Company as at March 31 2022 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made there under.

ii. (a) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of account of the Company. The company has provided us the quarterly information and the detail of differences is given below:

<u>PARTICULARS</u>	<u>30.06.2021</u>	<u>30.09.2021</u>	<u>31.12.2021</u>	(amt. in Lac)
				<u>31.03.2022</u>
<b><u>STOCK</u></b>				
AS PER BOOKS	678	828	833	788
AS PER STATEMENT	749	642	650	762
<b><u>SUNDRY CREDITORS</u></b>				
AS PER BOOKS	1144	308	493	122
AS PER STATEMENT	270	282	316	99
<b><u>SUNDRY DEBTORS</u></b>				
AS PER BOOKS	1399	1063	1285	988
AS PER STATEMENT	1366	1004	1177	988

iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investments in, given any guarantee or security or granted any loans or advances which are characterised as loans, unsecured or secured, to LLPs, firms or companies or any other person during the year 2021-22. Hence reporting under sub clause a, b, c, d, e and f of clause 3 (iii) of the Order is not applicable.

iv. As per information and explanation given to us , the company has not given any loans to directors or any other person in whom the director is interested, or made any investments . Hence reporting under clause (iv) of the Order is not applicable to the Company .

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act 2013 for the business activities carried out by the Company. Hence reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) According to the information and explanations given to us ,the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax , Income Tax ,TDS and other material statutory dues applicable to it with the appropriate authorities. There is no undisputed amounts other material statutory dues in arrears as at March 31 2022 for a period of more than six months from the date they became payable except of TDS found from the Income Tax portal for F.Y. 2020-21 Rs. 0.02 Lac, F.Y. 2019-20 Rs. 0.03 Lac ,F.Y. 2018-19 Rs. 0.01 Lac and Rs. 0.55 Lac for prior to 2018-19.

(b) There is no statutory dues which have not been deposited as on March 31 2022 on account of disputes.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (43 of 1961).

ix. (a) The Company has not paid 4 installments for the month of July ,Aug, Sept. 2021 and Mar. 2022 of car Loan app. 1.90 Lac which is still pending on the last day of the financial year .

(b) As per information and explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) As per information and explanation given to us , the Company has raised the term loan from the bank during the year for the purpose business and the funds has been utilized for the purpose for which the term loan taken. Further the credit limit has been restructured on the request of the management by the bank and FITL account has been opened to defer the interest payment to be repaid in installment.

(d) On an overall examination of the financial statements of the Company, the company has not raised any funds on short term basis have prima facie used during the year for long-term purposes .

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) As per information and explanation given to us , the company has raised loans during the year by not pledging securities held in their subsidiaries, joint ventures or associate companies but corporate guarantee has been given by Kartar Finvest Pvt. Ltd. and Preet Builders Pvt. Ltd. for the whole of the credit limit of Rs. 1320 Lac .

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause3(x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) As per information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) As per information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature timing and extent of our audit procedures.



xii. As per information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion the Company is in compliance with Section 177 and 188 of the Companies Act 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the company during the year and till date in determining the nature timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

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

Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the variation in the financial ratios, ageing, low sale, small amount of profit and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, it seems to us and which causes us to believe that material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will not get discharged by the Company as and when they fall due.

xx. As the Section 135 of the Companies Act 2013 provides the threshold limit for applicability of the CSR to a Company: (a) net worth of the company to be Rs 500 crore or more; or (b) turnover of the company to be Rs 1000 crore or more; or (c) net profit of the company to be Rs 5 crore or more., So the provision of Corporate Social Responsibility not applicable to the company. Accordingly reporting under clause 3(xx) of the Order is not applicable for the year.

xxi. The company has no group company. Accordingly reporting under clause 3(xxi) of the Order is not applicable for the year.



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

**Place : LUDHIANA**  
**Dated : 30.05.2022**

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

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

#### **Report on the Internal Financial Control 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 2022 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion and 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 31 March 2022, 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 : 30.05.2022

(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, 2022

(Amt. In '000)

Particulars	Refer Note No.	AS AT 31ST MARCH 2022	AS AT 31ST MARCH 2021
<b>ASSETS</b>			
<b><u>(1) Non Current Assets</u></b>			
(a) Property, Plant & Equipment	2	17,078.00	29,610.00
(b) Capital Work-in-Progress		-	-
(c) Other Intangible assets		-	-
(d) Financial Assets		-	-
- Investments		-	-
- Other Financial Assets		-	-
(e) Deferred tax assets (net)		-	-
(f) Other non-current Assets	3	10,912.00	10,106.00
<b><u>(2) Current Assets</u></b>			
(a) Inventories	4	78,767.00	73,929.00
(b) Financial Assets			
- Investments			
- Trade receivables	5	98,814.00	1,05,099.00
- Cash and cash equivalents	6	606.00	1,674.00
- Bank Balances Other than above Loans			
- Other Financial Assets	7	-	-
(c) Other current assets	8	2,452.00	3,545.00
(d) Other Tax Assets (Net)		265.00	99.00
<b>Total Assets</b>		<b>2,08,894.00</b>	<b>2,24,062.00</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b><u>EQUITY</u></b>			
(a) Equity Share Capital	9	55,408.00	55,408.00
(b) Other Equity	10	29,138.00	39,559.00
<b>Total Equity</b>		<b>84,546.00</b>	<b>94,967.00</b>
<b>Liabilities</b>			
<b><u>(1) Non Current Liabilities</u></b>			
(a) Financial Liabilities			
- Borrowings	11	32,652.00	27,441.00
(b) Provisions			
(c) Deferred tax Liabilities (Net)		426.00	174.00
(d) Other Non Current Liabilities			
<b><u>(1) Current Liabilities</u></b>			
(a) Financial Liabilities			
- Borrowings	12	76,781.00	69,911.00
- Trade Payables	13	12,225.00	24,881.00
(i) Total Dues towards MSME      113.71 Lac			
(ii) Total Dues other than MSME      8.54 Lac			
- Other Financial Liabilities	14	451.00	715.00
(b) Other Current Liabilities	15	189.00	5,472.00
(c) Provisions	16	1,624.00	501.00
(d) Current Tax Liabilities (Net)		-	-
<b>Total Equity &amp; Liabilities</b>		<b>2,08,894.00</b>	<b>2,24,062.00</b>

**SIGNIFICANT ACCOUNTING POLICIES**

See accompanying Notes to the Financial Statements

***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**

**AUDITOR'S REPORT**

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

**for PARMOD G. GUPTA & ASSO.**

**CHARTERED ACCOUNTANTS**

(HARPREET SINGH)  
MG. DIRECTOR  
DIN: 00570541

(ESHAAN SINGH TAKKAR)  
DIRECTOR  
DIN: 07194501

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

(SANJAY JAIN)  
CFO (KMP) AAQPJ0106J

PLACE : LUDHIANA  
DATE : 30.05.2022  
UDIN : 22096109AJWFPJ4922

# 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, 2022

(Amt. In '000)

Sr. No	Particulars	Refer Note No.	AS AT 31ST MARCH 2022	AS AT 31ST MARCH 2021
I	Revenue from operations	17	283009.00	414235.00
II	Other Income	18	3841.00	453.00
III	<b>Total Income (I+II)</b>		<b>2,86,850.00</b>	<b>4,14,688.00</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	19	20,699.00	21,601.00
	Purchase of Stock in Trade		250543.00	385382.00
	Change in Inventory in WIP, Finished and Traded Goods	20	-2320.00	11,398.00
	Manufacturing Expenses	21	3872.00	3,774.00
	Employee Benefit Expense	22	1564.00	1498.00
	Financial Costs	23	7573.00	6658.00
	Administrative Expenses	24	1419.00	1481.00
	Selling & Distribution Expenses	25	8.00	159.00
	Repair & Maintenance	26	449.00	684.00
	Depreciation and Amortization Expense	27	2099.00	1814.00
	<b>Total Expenses (IV)</b>		<b>2,85,906.00</b>	<b>4,11,653.00</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>	(III - IV)	<b>944.00</b>	<b>3,035.00</b>
VI	Less: Exceptional Items (Preliminary Exp. W/Off)		-	-
VII	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>944.00</b>	<b>3,035.00</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit before tax (VII - VIII)</b>		<b>944.00</b>	<b>3,035.00</b>
X	<b>Tax Expenses:</b>	28		
	(1) Current tax		153.00	203.00
	(2) Deferred tax		252.00	174.00
XI	<b>Profit(Loss) from the continuing operations (IX-X)</b>	(IX-X)	<b>539.00</b>	<b>2,658.00</b>
XII	Profit/(Loss) from discontinuing operations		-	-
	Loss on Sale of Fixed Assets		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	<b>Profit/(Loss) from Discontinuing operations (XII - XIII)</b>		<b>539.00</b>	<b>2,658.00</b>
XV	<b>Profit/(Loss) for the period (XI + XIV)</b>		<b>539.00</b>	<b>2,658.00</b>
XVI	Earning per equity share:			
	(1) Basic	29	0.01	0.05
	(2) Diluted	29	0.01	0.05

## SIGNIFICANT ACCOUNTING POLICIES

See accompanying Notes to the Financial Statements

**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

**AUDITOR'S REPORT**

SUBJECT TO OUR SEPRATE REPORT OF EVEN DATE

(HARPREET SINGH)  
MG. DIRECTOR  
DIN: 00570541

(ESHAAN SINGH TAKKAR)  
DIRECTOR  
DIN: 07194501

for PARMOD G. GUPTA & ASSO.  
CHARTERED ACCOUNTANTS

(PARMOD GUPTA)  
PARTNER

(SANJAY JAIN)  
CFO (KMP) AAQPJ0106J

(FIRM REGN. NO. 018870 N)  
(MEMBERSHIP NO. 096109)

PLACE : LUDHIANA

DATE : 30.05.2022

UDIN : 22096109AJWFPJ4922

**PACT INDUSTRIES LIMITED**

Standalone Statement of Changes in Equity for the year ended March 31, 2022

**STATEMENT OF CHANGE IN EQUITY**

**A. EQUITY SHARE CAPITAL (Amt. In '000)**

**1 Current Reporting Period**

Balance as at 04.04.2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01.04.2021	Changes in equity share capital during the current year	Balance as at 31.03.2022
55408.00	0	55408.00	0	55408.00

**2 Previous Reporting Period**

Balance as at 04.04.2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01.04.2020	Changes in equity share capital during the current year	Balance as at 31.03.2021
55408.00	0	55408.00	0	55408.00

REFER TO NOTE NO. 9

**B. Other Equity**

Particulars	Note No.	Reserves and Surplus						Other Comprehensive Income		Total other Equity
		Securities Premium	Capital Reserve	Depreciation Reserve	Statutory Reserve Fund	General Reserve	Surplus/(deficit) in the Statement of Profit and Loss	Equity Instruments through Other Comprehensive		
<b>As at April 1, 2021</b>	10	20,400.00	490.00	10,961.00	-	2,200.00	5,509.00	-	-	39,560.00
Profit for the year		-	-	-	-	-	539.00	-	-	539.00
Depreciation for the year		-	-	-	-	-	-	-	-	-
- Depreciation written back		-	-	-	-	-	-	-	-	-
		20,400.00	490.00	10,961.00	-	2,200.00	6,048.00	-	-	40,099.00
Transactions with owners in their capacity as owners										
- Previous Year's adjustment		-	-	-	-	-	-	-	-	-
- Depreciation written back		-	-	-	-	-	-	-	-	-
Trf. To dep. To the respective assets		-	-	10,961.00	-	-	-	-	-	10,961.00
		20,400.00	490.00	-	-	2,200.00	6,048.00	-	-	29,138.00
<b>As at March 31, 2022</b>		20,400.00	490.00	-	-	2,200.00	6,048.00	-	-	29,138.00
<b>Balance as at 01.04.2020</b>		20,400.00	490.00	10,647.00	-	2,200.00	3,275.00	-	-	37,012.00
Profit for the year		-	-	-	-	-	2,658.00	-	-	2,658.00
Depreciation for the year		-	-	1,094.00	-	-	-	-	-	1,094.00
- Depreciation written back		-	-	780.00	-	-	-	-	-	780.00
Other comprehensive income		-	-	-	-	-	-	-	-	-
		20,400.00	490.00	10,961.00	-	2,200.00	5,933.00	-	-	39,984.00
Transactions with owners in their capacity as owners										
- Op. Prov. Of DTA		-	-	-	-	-	424.00	-	-	424.00
- Previous Year's adjustment		-	-	-	-	-	-	-	-	-
- Loss on sale of assets		-	-	-	-	-	-	-	-	-
Trf. Of Dep. to the respective assets		-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>		20,400.00	490.00	10,961.00	-	2,200.00	5,509.00	-	-	39,560.00

Significant Accounting Policies

The accompanying 2- 59 notes forms integral part of the Standalone Ind AS financial statements.

**PACT INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT**

(AMT.in '000)

<b>A . Cash Flow From Operating Activities</b>	<b>Details</b>	<b>31.03.2022</b>	<b>Details</b>	<b>31.03.2021</b>
Net Profit as Per Balance Sheet before Tax		944.00		3035.00
<b>Add:- Non Operating /Non Cash Expenses</b>				
Depreciation & Amortisation	2099.00		1875.00	
Bank Charges	555.00		685.00	
Rent Paid	762.00		676.00	
Interest Expenses	8522.00		5973.00	
Profit on Sale of Assets	-22.00		0.00	
Net DTA	-252.00		-598.00	
Dep. Reserve trfd. To Assets	-10961.00	703.00	0.00	8611.00
		1647.00		11646.00
<b>Changes in Working Capital:-</b>				
Increase/(Decrease) in Current Liabilities	-10210		-26616	
Less:- Increase/(Decrease) in Current Assets	2373	-7837	8336	-34952
<b>Cash Generated from Operations</b>		<b>-6190.00</b>		<b>-23306.00</b>
Less:- Current Taxes		153.00		203.00
<b>Net Cash Flow From Operating Activities (A)</b>		<b>-6343.00</b>		<b>-23509.00</b>
<b>B . Cash Flow From Investing Activities</b>				
Rent Paid	-762.00		-676.00	
Dep. Reserve adj. in assets	10961.00		0.00	
Sale of Fixed Assets	310.00		41.00	
Purchase of Fixed Assets	-94.00		-17368.00	
Decrease/( Increase ) in Non current Assets	-1527.00	8888.00	-2544.00	-20547.00
<b>Net Cash Flow From Investing Activities (B)</b>		<b>8888.00</b>		<b>-20547.00</b>
<b>C . Cash Flow From Financing Activities (D)</b>				
Loan rec.	5212.00		25773.00	
Increase in Loans & Advances Assets)	0.00		0.00	
DTA	252.00		598.00	
Interest on loans	-8522.00		-5973.00	
Bank Charges	-555.00	-3613.00	-685.00	19713.00
<b>Net Cash Flow From Financing Activities (D)</b>		<b>-3613.00</b>		<b>19713.00</b>
<b>Net Cash &amp; Cash Equivalents (a-b-c)</b>		<b>-1068.00</b>		<b>-24343.00</b>
Cash & Cash Equivalents in the beginning		1674.00		26017.00
Cash & Cash Equivalents at the end		<b>606.00</b>		<b>1674.00</b>

FOR AND ON BEHALF OF THE BOARD

For PARMOD G. GUPTA & ASSO.  
CHARTERED ACCOUNTANTS

(HARPREET SINGH) (ESHAAN SINGH)  
MG. DIRECTOR DIRECTOR  
DIN: 00570541 DIN: 07194501

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

PLACE : LUDHIANA  
DATE : 30.05.2022

**PACT INDUSTRIES LIMITED**

**Trade Receivables ageing schedule as on 31.03.2022**

PARTICULARS	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 years	
(i) Undisputed Trade receivables considered good	51845.00	33133.00	0.00	534.00	13303	98815.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	0	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0	0.00
<b>Total Billed</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>534.00</b>	<b>13303.00</b>	<b>98815.00</b>



**PACT INDUSTRIES LIMITED, LUDHIANA**  
**CIN: L18101PB1993PLC013193**  
**F.Y. 2021-22**

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**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS**

**A. CORPORATE INFORMATION:-**

Pact Industries Limited company incorporated in India under the Companies Act, 1956 (now 2013). The company is engaged in trading as well as mfg. of agriculture equipments during the year 2021-22. The company has started the mfg. of agriculture instrument.

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 and factory at G.T. Road, Opp. Toyota Globe, Jugiana, Ludhiana, Punjab India. The company has its primary listing on BSE Limited and MCX Stock Exchange in India.

**B. 1 SIGNIFICANT ACCOUNTING POLICIES:**

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

The financial statements of the Company have been prepared in accordance with Ind AS (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 Ind AS accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**• ii) FUNCTIONAL AND PRESENTATION CURRENCY :-**

The Company's Financial Statements are presented in Indian Rupees which is also its functional currency and all values are rounded to the nearest thousands (`000), except when otherwise indicated.

**B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**i. Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

**An asset is treated as Current when it is –**

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of mfg and trading;
  
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

**A liability is current when:**

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of mfg and trading;

- It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current.  
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

Inventories are valued at cost or net realizable value, whichever is lower after providing obsolescence if any except in case of by-products which are valued at net realisable value as on 31.03.2022 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/traded goods 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.

iii) **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.

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

**Tax Expenses**

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

**i. Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

**ii. Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

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.

v) **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.

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates including accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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 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.

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.

vi) **REVENUE (IND AS-18):-**

**Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be. The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified.

**Contract Balances**

### **Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional.

### **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### **Interest Income**

Interest Income from a Financial Assets is recognised using effective interest rate method if any.

### **Dividend Income**

Dividend Income is recognised when the Company's right to receive the amount has been established.

## vii) **EMPLOYEE BENEFIT EXPENSES (IND AS-19):-**

### **Short-Term Employee Benefits**

-The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **Post-Employment Benefits Defined Contribution Plans**

-The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund. But the company has not get registered under ESI and EPF Act so not paying any contribution towards provident fund and ESI.

### **Defined Benefit Plans**

No provisions has been made for Gratuity during the year 2021-22.

## viii) **FOREIGN CURRENCY TRANSACTIONS (IND AS-21):-**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets which are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

## ix) **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.

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

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

xi) **IMPAIRMENT OF FINANCIAL ASSETS (IND AS-36):-**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii. Financial Liabilities**

**A. Initial Recognition and Measurement**

All Financial Liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial Liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

xii) **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.

**Contingent Liabilities**

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

xiii) **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.

xiv) **CASH & CASH EQUIVALENTS:-**

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xv) **NON-CURRENT ASSETS HELD FOR SALE (IND AS – 105)**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of sale and are presented separately in the Balance Sheet.

xvii) **FINANCIAL INSTRUMENTS (IND AS-109):-**

The company has not lend /invested any amount through the debt instrument during 2021-22. However the accounting policy is explained below.

**Financial Assets**

**A. Initial Recognition and Measurement**

All Financial Assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

**B. Subsequent Measurement**

**a) Financial Assets measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

**b) Financial Assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

**c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

### **C. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (IND AS-28):-**

The Company has no investments in Subsidiaries, associates and joint venture.

#### **xviii) RESEARCH AND DEVELOPMENT EXPENDITURE:-**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss but the company has no activity of Research & Development during the year 2020-21.

#### **xix) USE OF ESTIMATES:-**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that effect the reported amount of revenue ,expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years . 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.

### **RECENT PRONOUNCEMENTS**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Frame work ) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**xx) EFFECT OF GLOBAL HEALTH PANDEMIC ON COVID-19 .**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, and impact on effectiveness of its hedges. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.



Notes to the Standalone Financial Statement for the year ended March 31, 2022

2 Property, Plant and Equipment

Particulars	Own Assets					Leased Assets			Total
	Plant & Machinery	Furniture and fixtures	Office Equipments	Data Processing machineries	Vehicles	Plant and equipments	Data Processing machineries	Vehicles	
<b>Gross Carrying Amount</b>									
Cost as at April 1, 2020	-	565.00	285.00	291.00	11923.00	-	-	-	13,064.00
Addition	15,558.00	1,640.00	0.00	170.00	-	-	-	-	17,368.00
Disposal and transfers	-	-	200.00	-	621.00	-	-	-	(821.00)
<b>Closing gross carrying amount</b>	<b>15,558.00</b>	<b>2,205.00</b>	<b>85.00</b>	<b>461.00</b>	<b>11,302.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,611.00</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	-	33.00	199.00	228.00	10187.00	-	-	-	10,647.00
Depreciation charge during the year	438.00	109.00	8.00	45.00	493.00	-	-	-	1,093.00
Disposal and transfers	-	-	190.00	-	590.00	-	-	-	(780.00)
<b>Closing accumulated depreciation</b>	<b>438.00</b>	<b>142.00</b>	<b>17.00</b>	<b>273.00</b>	<b>10,090.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,960.00</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>15,120.00</b>	<b>2,063.00</b>	<b>68.00</b>	<b>188.00</b>	<b>1,212.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,651.00</b>
<b>Gross Carrying Amount</b>									
Opening gross carrying amount	15,558.00	2,205.00	85.00	461.00	11,302.00	-	-	-	29,611.00
Addition	-	47.00	-	46.00	-	-	-	-	93.00
Disposal and transfers	310.00	-	-	-	-	-	-	-	(310.00)
<b>Closing gross carrying amount</b>	<b>15,248.00</b>	<b>2,252.00</b>	<b>85.00</b>	<b>507.00</b>	<b>11,302.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,394.00</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	438.00	142.00	17.00	273.00	10,090.00	-	-	-	10,960.00
Depreciation charge during the year	984.00	213.00	-	86.00	95.00	-	-	-	1,378.00
Disposal and transfers	22.00	-	-	-	-	-	-	-	(22.00)
<b>Closing accumulated depreciation</b>	<b>1,400.00</b>	<b>355.00</b>	<b>17.00</b>	<b>359.00</b>	<b>10,185.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,316.00</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>13848.00</b>	<b>1897.00</b>	<b>68.00</b>	<b>148.00</b>	<b>1117.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17078.00</b>

Notes:-

1. Weighing Sclae & Generator has been Merged with Plant & Machinery and Electric Installation with Furniture & Fixture
2. The company has created the depreciation reserve prior to F.Y. 2021-22 and now the depreciation of the respective assets has been shown as above to show the net carrying cost of the fixed asstes
3. None of the assets has been revalued during 2021-22.
4. The company has no capital work in progress as on 31.03.2022.
5. All the assets mantioned above are held in the name of company except of Vehicle for which copy of RC in the name of the company of one vehicle has been provided.

**PACT INDUSTRIES LIMITED**

**Notes to the Standalone Financial Statement for the year ended March 31, 2022**

(Amt. in '000)

**Note No. 3 :**

	AS AT	AS AT
	<u>MARCH 31, 2022</u>	<u>MARCH 31, 2021</u>
<b>OTHER NON CURRENT ASSETS</b>		
1 Adv. for capital goods to related Parties	6,156.00	6,156.00
2 Prepaid Ins.	30.00	56.00
3 Misc. Exp. (Not Written Off)	721.00	1,442.00
4 Security to Lanlord	99.00	99.00
5 Sec. with Electricity Board	1,988.00	1,988.00
6 Adv. to Landlord	146.00	365.00
7 MAT A.Y. 2021-22	269.00	-
8 Deferred Interest	1,503.00	-
<b>Total in `</b>	<b>10,912.00</b>	<b>10,106.00</b>

**Note No. 4 :**

**INVENTORIES**

a) Raw Material	4,315.00	1,915.00
b) Work in Progress	1,716.00	1,415.00
c) Finished Goods	2,549.00	2,200.00
d) Stock in Trade	68,424.00	67,010.00
e) Scrap	550.00	294.00
f) Consumeable Store	1,213.00	1,095.00

(Valued at cost or Net realiseable Price whichever is less as Certified by the directors )

<b>Total in `</b>	<b>78,767.00</b>	<b>73,929.00</b>
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**Note No. 5**

**TRADE RECEIVABLES**

1 a) Trade Receivable , Considered Good : Secured	72,551.00	1,05,099.00
b) Trade Receivable Unsecured, Considered Good : Unsecured	-	-
c) Trade Receivable which have significant increase in Credit Risk	-	-
d) Trade Receivable -Credit impaired	-	-
Less:- Prov. for doubt debt	-	-
2 Debits due by the company, firm and other entity in which directors is a Partner , director or a member	26,263.00	
3 Trade Receivable ageing Schedule - as per detail attached	-	-
<b>Total in `</b>	<b>98,814.00</b>	<b>1,05,099.00</b>

**PACT INDUSTRIES LIMITED***(Amt. in '000)*

Notes to the Standalone Financial Statement for the year ended March 31, 2022

**Note No. 6**

<b>CASH &amp; CASH EQUIVALENT</b>		<b>AS AT</b>	<b>AS AT</b>
		<b>MARCH 31, 2022</b>	<b>MARCH 31, 2021</b>
<b>A</b>	<b>Balances with banks</b>		
1	Cash on hand	606.00	1,674.00
2	Cheque in Hand	-	-
<b>Total in `</b>		<b>606.00</b>	<b>1,674.00</b>

**Note No. 7:****OTHER FINANCIAL ASSETS**

1	Advance to Suppliers to related parties	-	-
2	Cheque in Hand	-	-
3	Securities eposits	-	-
<b>Total in `</b>		<b>-</b>	<b>-</b>

**Note No. 8:****OTHER CURRENT ASSETS**

1	Advance to Suppliers	398.00	99.00
2	GST Credit Ledger	2,054.00	3,446.00
<b>Total in `</b>		<b>2,452.00</b>	<b>3,545.00</b>

**Note No. 9 :**

(Amt. in '000)

Particulars	As at 31 March 2022		As at 31 March 2021		As at April 1, 2020	
	Number	Number	Number	Number	Number	Number
<b>Share Capital</b>						
<b>Authorised Share</b>						
Equity Shares of Rs. 1 each	6,00,00,000	60,000.00	6,00,00,000	60,000.00	6,00,00,000	60,000.00
Preference Shares of Rs. 10/- each	10,00,000	100000.00	1000000	100000.00	1000000	100000.00
<b>Issued and Subscribed</b>						
Equity Shares of Rs. 1 each	5,54,08,000	55,408.00	5,54,08,000	55,408.00	5,54,08,000	55,408.00
Preference Shares of Rs. 10/- each	-	-	-	-	-	-
<b>Paid Up</b>						
Equity Shares of Rs. 1 each	5,54,08,000	55,408.00	5,54,08,000	55,408.00	5,54,08,000	55,408.00
Preference Shares of Rs. 10/- each	-	-	-	-	-	-
<b>Total</b>	<b>5,54,08,000</b>	<b>55,408.00</b>	<b>5,54,08,000</b>	<b>55,408.00</b>	<b>5,54,08,000</b>	<b>55,408.00</b>

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

Name of Shareholder	Equity Shares			
	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1 Kartar Finvest Pvt. Ltd.	6600000	11.91	6600000	11.91
2 S. Gurdeep Singh	4267000	7.70	4267000	7.70
3 S. Harpreet Singh	4468100	8.06	4468100	8.06
4 S. Tarunjeet Singh	2857500	5.16	2857500	5.16
5 S. Avtar Singh	2927000	5.28	2927000	5.28

**b. Reconciliation of Equity Shares**

Particulars	Equity Shares			
	As at 31 March 2022		As at 31 March 2021	
	Number	Number	Number	Number
1 Shares outstanding at the beginning of the year	55408000	55408.00	55408000	55408.00
2 Shares Issued during the year	0	0.00	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	55408.00	55408000	55408.00

**c) Terms and rights attached to equity shares**

- The company has one issued class of Share i.e. Equity Share having a par value of Rs. 1/- per share. Each shareholders is eligible for one vote for per share held.
- In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company.
- The distribution will be proportion to the number of equity shares held by the shareholder.
- The Board of Directors have recommended a dividend of Nil (Previous year Nil per equity share)

**d) Details of Shares held by Promoters AS ON 31.03.2022**

Sr. No	SHARES HELD BY PROMOTORS AS ON 31.03.2022	Equity Shares		
		No. of Shares held	% of Holding	% Changes during the year
<b>EQUITY SHARES</b>				
1	S. Harpreet Singh	44,68,100	8.06%	0.00%
2	S. Gurdeep Singh	42,67,000	7.70%	0.00%
3	S. Avtar Singh	29,27,000	5.28%	0.00%
4	S. Tarunjeet Singh	28,57,500	5.16%	0.00%
5	S. Charan Preet Singh	21,44,000	3.87%	0.00%
6	Mrs. Tanu Preet kaur	20,20,000	3.65%	0.00%
7	Mrs. Kartar Kaur	11,80,000	2.13%	0.00%
8	Mrs. Ashwani Paul Kaur	8,25,000	1.49%	0.00%
9	Kartar Finvest Pvt. Ltd.	66,00,000	11.91%	0.00%
10	Preet Builders Pvt. Ltd.	25,00,000	4.51%	0.00%
11	Kartar Hotel Estate Pvt. Ltd.	24,40,000	4.40%	0.00%
12	The Khalsa Nirbhai Transport	17,43,000	3.15%	0.00%
13	Kartar Colonizers Pvt. Ltd.	16,00,000	2.89%	0.00%
14	Taksonz Developers And Infrastructure Ltd.	8,50,000	1.53%	0.00%
15	A.K Financial Consultants Pvt. Ltd.	3,50,000	0.63%	0.00%

Note:- The company has only one Class of Issued, Subscribed and Paid up share capital i.e. Equity Shares

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2022

Note No. 10:

(Amt. in '000)

		AS AT	AS AT
		MARCH 31, 2022	MARCH 31, 2021
<b>OTHER EQUITY</b>			
<b>A</b>	<b><u>Security Premium</u></b>		
	Opening Balance	20,400.00	20,400.00
	Add: Share Premium on Shares Issued	-	-
	<b>Closing Balance</b>	<b>20,400.00</b>	<b>20,400.00</b>
<b>B</b>	<b><u>Capital Reserve</u></b>		
	Opening Balance	490.00	490.00
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	<b>Closing Balance</b>	<b>490.00</b>	<b>490.00</b>
<b>C</b>	<b><u>Depreciation Reserve</u></b>		
	Opening Balance	-	10,647.00
	Add: Current Year's Depreciation	-	1,093.00
	Less: Written Back	-	780.00
	<b>Closing Balance</b>	<b>-</b>	<b>10,960.00</b>
<b>D</b>	<b><u>General Reserve</u></b>		
	Opening Balance	2,200.00	2,200.00
	Add: Current Year Transfer	-	-
	Less: Written Back in Current Year	-	-
	<b>Closing Balance</b>	<b>2,200.00</b>	<b>2,200.00</b>
<b>E</b>	<b><u>Surplus (Profit &amp; Loss Account)</u></b>		
	Opening Balance	5,509.00	3,275.00
	Add: Net Profit for the current year	539.00	2,658.00
	Less: Earlier Year Adjustment	-	-
	Less: Op. Balance of DTA	-	424.00
	<b>Closing Balance</b>	<b>6,048.00</b>	<b>5,509.00</b>
<b>F</b>	<b><u>Other Comprehensive Income</u></b>		
	Opening balance	-	-
	(Less): Changees during the year	-	-
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Total in `</b>		<b>29,138.00</b>	<b>39,559.00</b>

Note No.11:

LONG TERM BORROWINGS (NON-CURRENT)

<b>1</b>	<b><u>Secured Loans</u></b>		
<b>1</b>	<b><u>Secured Loans</u></b>		
<b>A</b>	Term Loan (Car Loan)	1,166.00	1,445.00
	Less: Installments Due Next Year Shown as Current Liabilites	490.00	450.00
	( Sec. By Hyp. Of Car)	<b>676.00</b>	995.00
<b>B</b>	<b>CECL</b>	283.00	3,595.00
	Less: Installments Due Next Year Shown as Current Liabilites	283.00	3,333.00
	( Sec. by all current assets of the company)	-	262.00
<b>C</b>	<b>GECL (COVID-19)</b>	8,578.00	<b>9,960.00</b>
	Less: Installments Due Next Year Shown as Current Liabilites	2,200.00	-
	( Sec. by all current assets of the company)	6,378.00	9,960.00
<b>D</b>	<b>Term Loan (for Machinery)</b>	10,953.00	12,971.00
	Less: Installments Due Next Year Shown as Current Liabilites	2,004.00	2,000.00
	( Sec. By Hyp. Of new machinery installed)	<b>8,949.00</b>	<b>10,971.00</b>
<b>E</b>	<b>WCTL</b>	5,036.00	-
	Less: Installments Due Next Year Shown as Current Liabilites	729.00	-
	( Sec. by all current assets of the company)	<b>4,307.00</b>	-

<b>PACT INDUSTRIES LIMITED</b>			
<b>F</b>	<b>GECL 2.00</b>	5,535.00	-
	<i>Less: Installments Due Next Year Shown as Current</i>		
	<i>Liabilities</i>	802.00	-
	( Sec. by all current assets of the company)	<b>4,733.00</b>	-
<b>G</b>	<b>FITL</b>	2,356.00	-
	<i>Less: Installments Due Next Year Shown as Current</i>		
	<i>Liabilities</i>	-	-
	( Sec. by all current assets of the company)	<b>2,356.00</b>	-
		<b>A+B+C+D+E+F+</b>	
	<b>Total</b>	<b>G</b>	
		<b>27,399.00</b>	<b>22,188.00</b>
<b>2</b>	<b><u>Unsecured Loans</u></b>		
<b>A</b>	<i>Loans from directors &amp; their relatives</i>	5,253.00	5,253.00
	<b>Total</b>	<b>32,652.00</b>	<b>27,441.00</b>

**Note:-**

1. Credit Limit has been restructured during the year vide sanctioned letter dt. 18.10.2021. Interest on Cash Credit Limit will be trfd. To FITL for 2 years and the Installment of which will be start w.e.f. Sept. 2023.
2. Credit Limit except of GECL1.00 and GECL 2.00 has been secured by Collateral securities of commerical plot Msg. 1251.24 in the name of Mrs. Tanupreet Kaur W/o S. Harpreet Singh, director of the company
3. Further secured by personal guarantee of S. Harpreet Singh, Taranpreet Kaur & S. Eshaan Singh and Corporate guarantee of Preet Builders P. Ltd. and Kartar Finvest P. Ltd.
4. 4 Installment of Car loan not paid during 2021-22

## Notes to the Standalone Financial Statement for the year ended March 31, 2022

## Note No. 12:

(Amt. in '000)

SHORT TERM BORROWINGS (CURRENT)	AS AT	AS AT
	MARCH 31, 2022	MARCH 31, 2021
1 <u>Secured</u>		
(a) Loans repayable on demand (Cash Credit Limit) State Bank of India (C/C)	65,454.00	59,389.00
(b) State Bank of India (SLC)	4,819.00	4,739.00
<b>Current maturities of Long Term borrowing</b>		
(c) Repayment of Term Loan	6,508.00	5,783.00
(Secured by First charge on all current assets by way of Hyp. of all types of stock & Receivables (present & future ) and Equitable mortgage of commercial plot in the name of director .)		
<b>Total</b>	<b>76,781.00</b>	<b>69,911.00</b>

## Note No.13:

## TRADE PAYABLES

a Sundry Creditors for Materiel/Supplies:

Dues towards MSME Units	11,371.00	23,352.00
Other than MSME Units	854.00	1,529.00
<b>Total in `</b>	<b>12,225.00</b>	<b>24,881.00</b>

## b Trade payable ageing

Trade Paybles ageing schedule

PARTICULARS	Outstanding for following periods from due date of payment				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	10869.00	502.00			11371.00
(ii) Others	815.00	0.00	0.00	0	815.00
(iii) Disputed Due-MSME	0	0	0	0	0.00
(iv) Disputed Due-Others	39.00	0	0	0	39.00
	<b>11723.00</b>	<b>502.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12225.00</b>

Note:- The company has paid the payments beyond the limit sepecified MSME Act, but neither paid any interest nor made provision of interest to be paid during the year 2021-22.

## Note No. 14 :

## OTHER FINANCIAL LIABILITIES

1 Cheque issued but not presented	-	-
2 Expenses Crediotrs	451.00	715.00
<b>Total in `</b>	<b>451.00</b>	<b>715.00</b>

## Note No. 15 :

## OTHER CURRENT LIABILITIES

1 Advance from Customers	189.00	5,472.00
<b>Total in `</b>	<b>189.00</b>	<b>5,472.00</b>

## Note No. 16 :

## SHORT TERM PROVISIONS

1 Provision For Employees Benefit

Salary payable	-	162.00
	995.00	
<b>OTHERS</b>		
RCM/ GST Payable	-	1.00
Audit Fees Payable	76.00	79.00
TDS Payable	283.00	46.00
TCS Payable	67.00	112.00
Electricity Exp. Payable	42.00	67.00
Professional Tax Payable	12.00	4.00
Rent Payable	146.00	30.00
Telephone Exp. Payable	3.00	
<b>Total in `</b>	<b>1,624.00</b>	<b>501.00</b>

# PACT INDUSTRIES LIMITED

## Notes to the Standalone Financial Statement for the year ended March 31, 2022

(Amt. In '000)

### Note No.17:

REVENUE FROM OPERATIONS		AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
1	Sales & Other Income	2,83,009.00	4,14,235.00
<b>Total in `</b>		<b>2,83,009.00</b>	<b>4,14,235.00</b>

### Note No.18:

OTHER INCOME			
1	Commission	3,579.00	-
2	Rebate & Discount	219.00	393.00
3	Interest Income	21.00	60.00
4	Profit on sale of Fixed assets	22.00	-
<b>Total in `</b>		<b>3,841.00</b>	<b>453.00</b>

### Note No. 19:

#### COST OF MATERIAL CONSUMED

##### DIRECT/PRODUCTIONS EXPENSES/TRADED

	Opening Stock	1,915.00	-
1	Purchase	23,099.00	23,516.00
	Less: Closing Stock/Trfd. To change in inventory	4,315.00	1,915.00
<b>Material Consumed</b>		<b>20,699.00</b>	<b>21,601.00</b>

### Note No. 20:

#### CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN

##### 1 Inventories ( Op. Stock)

	Finished Goods	2,200.00	-
	Traded Goods	67,010.00	59,521.00
	WIP	1,415.00	-
	Scrap	294.00	-
<b>Total (A)</b>		<b>70,919.00</b>	<b>59,521.00</b>

##### 2 Inventories ( Closing Stock)

	Finished Goods	2,549.00	2,200.00
	Traded Goods	68,424.00	67,010.00
	W-I-P	1,716.00	1,415.00
	Scrap	550.00	294.00
<b>Total (B)</b>		<b>73,239.00</b>	<b>70,919.00</b>
<b>Total in ` (A-B)</b>		<b>-</b>	<b>2,320.00 - 11,398.00</b>



## **PACT INDUSTRIES LIMITED**

Notes to the Standalone Financial Statement for the year ended March 31, 2022

### **PACT INDUSTRIES LIMITED**

Notes to the Standalone Financial Statement for the year ended March 31, 2022

(Amt. In '000)

**Note No.21:**

MANUFACTURING EXPENSES	AS AT MARCH 31, 2022	AS AT MARCH 31, 2021
<b>A Opening Stock</b>		
Consumeables Stores	1,095.00	-
Add : Purchase	2,450.00	3,560.00
Less:- Closing Stock	1,213.00	1,095.00
<b>Consumption</b>	<b>A. 2,332.00</b>	<b>2,465.00</b>
<b>B</b>		
Cartage Inward	-	28.00
Electricity Chagres	497.00	234.00
Generator Exp.	85.00	68.00
Outside Labour	33.00	53.00
Wages Expenses	925.00	926.00
	<b>B. 1,540.00</b>	<b>1,309.00</b>
<b>TOTAL A +B</b>	<b>3,872.00</b>	<b>3,774.00</b>

**Note No. 22:**

EMPLOYEE BENEFIT EXPENSES		
1	Salaries and incentives	844.00
2	Directors Remuneration	778.00
		720.00
	<b>Total in `</b>	<b>1,564.00</b>
		<b>1,498.00</b>

**Note No. 23:**

FINANCE COST		
1	Bank Charges	555.00
2	Bank Interest on C/C	685.00
3	Bank Intt. on Loan	4,151.00
		2,867.00
	<b>Total in `</b>	<b>7,573.00</b>
		<b>6,658.00</b>

## **PACT INDUSTRIES LIMITED**

**Notes to the Standalone Financial Statement for the year ended March 31, 2022**

### **PACT INDUSTRIES LIMITED**

**Notes to the Standalone Financial Statement for the year ended March 31, 2022**

**Note No. 24:**

<b>ADMINISTRATIVE EXPENSES</b>	<b>(Amt. In '000)</b>	
	<b>AS AT MARCH 31, 2022</b>	<b>AS AT MARCH 31, 2021</b>
1 AGM Exp.	10.00	12.00
2 Audit Fees	85.00	85.00
3 Conveyance Exp.	18.00	16.00
4 Depository Charges	51.00	47.00
5 Fees & Taxes	70.00	152.00
6 Electricity Exp.	-	-
7 General Expenses	44.00	31.00
8 Insurance	92.00	56.00
9 Legal & Professional Charges	-	201.00
10 Late deposit of Tax and GST	36.00	46.00
11 Listing Fees	-	55.00
12 Printing & Stationery	17.00	19.00
13 Professional Charges	195.00	
14 Rent	762.00	676.00
15 RTA Charges	2.00	39.00
16 Telephone Expenses	37.00	46.00
<b>Total in `</b>	<b>1,419.00</b>	<b>1,481.00</b>

**Note No. 25:**

<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
1 Advertisement Expenses	8.00	159.00
<b>Total in `</b>	<b>8.00</b>	<b>159.00</b>

**Note No. 26:**

<b>REPAIR &amp; MAINTANANCE</b>		
1 Car & maintenance	108.00	124.00
2 Building Repair	33.00	-
3 Machinery Repair	53.00	-
4 Truck Repair & Running Exp.	255.00	478.00
5 Repair & Maintanance	-	82.00
<b>Total in `</b>	<b>449.00</b>	<b>684.00</b>

**Note No. 27:**

<b>DEPRECIATION &amp; AMORTIZATION EXPENSES</b>		
1 Depreciation	1,378.00	1,093.00
2 Preliminary Exp. W/off	721.00	721.00
<b>Total in `</b>	<b>2,099.00</b>	<b>1,814.00</b>

## **PACT INDUSTRIES LIMITED**

Notes to the Standalone Financial Statement for the year ended March 31, 2022

### **PACT INDUSTRIES LIMITED**

Notes to the Standalone Financial Statement for the year ended March 31, 2022

Note No. 28:

	(Amt. In '000)	
A. TAXATION	AS AT	AS AT
	MARCH 31, 2022	MARCH 31, 2021
<b>Income Tax as recognised in the statement of P/L account</b>		
Current Tax	153.00	203.00
Deffered Tax	252.00	174.00
<b>Total Income Tax Expenses recognised during current year</b>	<b>405</b>	<b>377</b>

#### **B. RECONCILIATION OF TOTAL TAX EXPENSES**

Reconciliation of profit before tax to taxable profit	944.00	3,035
Add: Exp. not deductible in determining the taxable profit	-	-
Less: Difference of depreciation	1,279.00	2,300
Add: Expenses to be add back in determining the taxable profit	36	46
Less: Profit on sale of F.A. Exempted Income	22	-
<b>TAXABLE PROFIT</b>	<b>321</b>	<b>3,081</b>
Income Tax expenses at effective rate	-	203
Income Tax under MAT	153	
Effective rate of Tax	15.60%	26%
Average Rate of Tax on Total Net Profit	16.19	6.69
<b>Total Income Tax Expenses recognised during current year</b>	<b>153</b>	<b>203</b>

#### **C. RECONCILIATION OF DEFFERED TAX ASSETS/LIABILITIES**

Deffered Tax assets relates to Fixed Assets	252	174
<b>Total Income Tax Expenses recognised during current year</b>	<b>252</b>	<b>174</b>

Note No. 29:

#### **EARNING PER SHARE**

Net profit after tax available for Equity Shareholders	539	2,658
Weighted Average number of Equity shares	5,54,08,000	5,54,08,000
Basic Earning Per Share in Rs.	0.01	0.05
Diluted Earning Per Share in Rs.	0.01	0.05

**NOTES TO ACCOUNTS**

**30. 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. Harpreet Singh, Mg. Director
- ii) Smt. Jasjeet Kaur
- iii) S. Eshaan Singh Takkar, Director
- iv) Sh. Sunil Rana, Director
- v) Sh. Sanjay Jain, CFO (KMP)
- vi) Miss Shilpa Mittal, Company Secretary

**2. Relatives of Key Management Personnel**

S. Charanpreet Singh, S. Gurdeep Singh, Smt. Tanupreet Kaur, 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 2021-22.

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.)  
Taksonz Developers & Infrastructure Limited  
Kartar Finvest Pvt. Ltd.

**TRANSACTION WITH RELATED PARTIES:-**

(Amt. in '000')

Nature of Transactions During the year	Associate	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	0.00 (0.00)	720.00 (720.00)	600.00 (500.00)
Rent Paid	403.00 (516.00)	0.00 (0.00)	0.00 (0.00)
Adv. Given	0.00 (0.00)	0.00 0.00	0.00 (0.00)
Sale of Goods	161956 (132816)	0.00 (0.00)	0.00 (0.00)
Purchase of Goods	176002 (193880)	0.00 (0.00)	0.00 (0.00)
Loans Taken by the Company	0.00 (0.00)	0.00 (1682.00)	0.00 ( 3450.00)

Loans Repaid by the Company	0.00 0.00	0.00 (0.00)	0.00 (0.00)
Advance received for supply of goods	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Remuneration to Company Secretary	0.00 (0.00)	22.00 (0.00)	0.00 (0.00)

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

in '000')		(Amt.	
		<u>2021-22</u>	<u>2020-21</u>
<b>31. CONTINGENT LIABILITIES</b>			
a. Claims against the company not acknowledged as debts		NIL	NIL
b. Contingent Liabilities not provided for		0.00	0.00
c. Estimated amount of contracts remaining to be executed		NIL	NIL
<b>32. FOREIGN TRANSACTION (IND-21):</b>			
The company has not Import any material during the year 2021-22. (Pr. NIL )			
<b>33. OPERATING SEGMENT INFORMATION (IND-108):</b>			

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.

**34. The debit & credit balances are subject to their confirmation from respective parties.**

<b>35. PAYMENT TO AUDITORS:</b>		(Amt. in '000')	
<u>PARTICULARS</u>	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>	
Statutory Audit Fee	60.00	60.00	
Income Tax Matter	25.00	25.00	

**36. 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. 6000	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. 500	NIL	NIL

37. 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.

38. Previous year figure have been regrouped and/or reclassified, wherever necessary.

39. The company has made a advance of Rs. 6156 during 2019-20 for the purchase of Land to the related party which is still O/S and purchased deed yet to be executed .

40. The company has not made a provision for listing fees for Rs. 300 app. to be paid to stock exchange for the year 2021-22.

41. The company has receivable for 13303 app. more than 3 years and expects no impairment in realizable amount so no provision for ECL has been made during 2021-22.



42. The Company has no immovable property held in the name of other than the company. Further neither any proceeding has been initiated nor pending against the company for holding any Benami property under the Benami transaction (Prohibition) Act, 1988 and rules made there under.

43. The company has no intangible assets so not revalued any intangible assets during the year 2021-22.

44. The company is not declared as willful defaulter by any bank or financial institutions or other lender.

45. The company has not transacted any transaction with any Struck off companies during the year 2021-22.

46. The charge against sanctioned letter dt. 18.10.2021 is yet to be registered /modified with The Registrar of Companies .

47. The company has not made any arrangement in terms of section 230 to 237 of The Companies Act 2013 during the year under review.

48. The company has not traded or invested in Crypto Currency or Virtual Currency during the year under review.

49. There was no transaction relating to previously unrecorded income that have been surrender or disclosed as income during the year in the tax assessment under The Income Tax Act 1961.

50. The company has deferred the interest on cash credit limit ( for the period of proposal of restructure ) for August, Sept. & Oct. 2021 to be claimed subsequent years for Rs.1503 app.

51. The company get its credit limit restructured from the State Bank of India due to financial problem vide sanction letter dt. 18.10.2021 for fund bases limit Rs. 1170 Lac and non fund bases 150 Lac.

**52. SECURITY FOR CREDIT LIMITS AVAILED BY THE COMPANY AS MENTIONED IN NOTE NO. 11 & 12.**

a) *Cash credit/SLC limit is secured by first charge on all current asset by way of Hyp. Including raw material , stock in progress, finished stock, stores & spares and receivable etc. (both present and future ) of the company.*

b) *Term loan for machinery is secured against new machinery installed.*

c) *GECL ,FITL ,WCTL and CECL – Secured all current assets as mentioned in (a) supra (Amt. in '000')*

d) *Car loan is secured by Hyp. Of Car.*

**COLLATERAL SECURITY :-** All the above said credit limits from a, b & c are also secured by collateral security by way of Equitable mortgage of commercial property Msg. 1251. 24 sq. yards having Plot No. B-35-5, Abadi Inder Nagar, Opp. Verka Milk Plant , Ferozepur Road, Village Sunet, Ludhiana.

**PERSONAL GUARANTEE :-** All the above said credit limit are secured by personal guarantee of, S. Harpreet Singh ,Mrs. Tanupreet Kaur & S. Eshann Takaar and corporate guarantee of Kartar Finvest Pvt. Ltd. and Preet Builders Pvt. Ltd. .

53. The trading of shares of the company has been suspended on the Stock Exchange.

54. **GRATUITY:-** No provision has been made for 2021-22.



3. Inventory Turnover ratio decreased due to low sale achieved during 2021-22 as compared to P.Y. 2020-21.
4. Trade receivable turnover ratio decreased to low sale and extended period of credit due to COVID-19 pandemic.
5. Trade payable turnover ratio decreased due to low sale & purchase.
6. Net Capital turnover ratio and net profit ratio decreased due to low net profit earned as compared to P.Y. 2020-21.

**FORMULA FOR COMPUTATION OF RATIOS ARE AS FOLLOWS:**

<u>Sr. No.</u>	<u>Particulars</u>	<u>Formula</u>
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Shareholder Equity}}$
3	DSCR	$\frac{\text{Earnings before + Intt. On Loan \& Dep.}}{\text{Interest Expense + Principal Repayments made during the year for long term loans.}}$
4	Return Equity Ratio	$\frac{\text{Profit After Tax}}{\text{Shareholder Equity}}$
5	Inventory Turnover	$\frac{\text{Cost of Goods Sold (Cost of Material Consumed + Purchases + Changes in Inventory + Manufacturing Expenses)}}{\text{Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade}}$
6	Trade Receivables Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Average Trade Receivables}}$
7	Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchase}}{\text{Average Trade Payables}}$
8	Net Capital Turnover Ratio	$\frac{\text{Value of Sales \& Services}}{\text{Working Capital (Current Assets - Current Liabilities)}}$
9	Net Profit Ratio	$\frac{\text{Profit After Tax (after exceptional items)}}{\text{Value of Sales \& Services}}$
10	Return on Capital Employed	$\frac{\text{Earning before Intt. \& Tax}}{\text{Average Capital Employed (Equity + Other Equity)}}$
11	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents \& Other Marketable Securities}}$

59. **APPROVAL OF FINANCIAL STATEMENTS**

The finance statements were approved for issue by the Board of Directors on 30.05.2022.





For & on Behalf of the Board of Directors

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

(HARPREET SINGH) (ESHANN SINGH) (SANJAY JAIN)

MG. DIRECTOR  
DIN:00570541

DIRECTOR  
DIN: 07194501

CFO (KMP)  
PAN:AAAQPJ0106J

(PARMOD GUPTA)  
PARTNER  
M. NO. 096109

Place : LUDHIANA  
Dated : 30.05.2022

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

The Company has identified three reportable segments mainly via, trading of steel & iron , trading of textile/garments and mfg. of agriculture instruments . 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 as per sheet enclosed.
- (ii) Further explained that the Rebate & Discount, Interest, Income has been disclosed as un-allocable.
- (iii) As the company is not maintaining the separate books of accounts so the segment assets & liabilities has been disclosed as un-allocable .

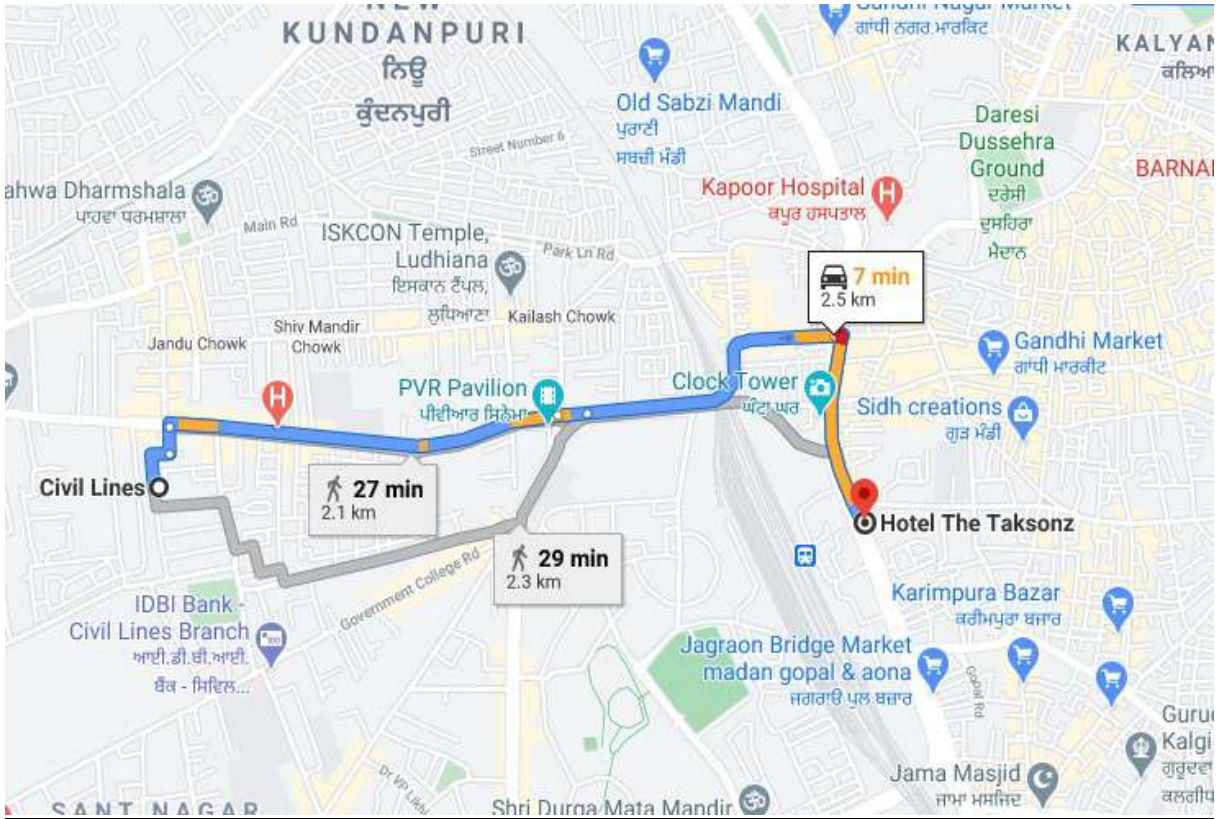
**SEGMENT REPORTING FOR THE YEAR ENDING 31.03.2022**

(Amt in '000')

	PARTICULARS	TRADING OF STEEL & IRON	TRADING OF TEXTILE/ GARMENTS	MFG.	UNALLOCABLE	TOTAL
1	SEGMENT REVENUE					
	Gross Turnover	161208	91348	30453	3841	286850
	<b>Net Turnover</b>	161208	91348	30453	3841	286850
2	<u>SEGMENT RESULT</u>					
	<u>PROFIT BEFORE INTEREST &amp; TAXES</u>				8517	8517
	Less: Interest Expense				7573	7573
	Add: Exceptional Item				0	0
	Profit Before Tax				935	935
	Current Tax				153	153
	Deferred Tax (Assets)				252	252
	<b>Profit After Tax</b>				539	539
3	<u>Other Information</u>					
	Segment Assets				180904	180904
	Segment Liabilities				123922	123922
	Capital Expenditure				94	94
	Depreciation				1378	1378
	Non Cash Expense				721	721

**Route map to the venue of the 29<sup>th</sup> AGM of Pact Industries Limited**

303, Hotel The Taksonz, Opp. Railway Station,  
G.T. Road, Ludhiana-141008.





**ATTENDANCE SLIP**

Cut here

Member's Folio No .....  
Client ID No. ....  
DP ID No. ....  
Name of the Member .....  
Name of Proxy holder .....  
No of shares held .....

I hereby record my presence at the 29th Annual General Meeting of the Company held on Friday, 30<sup>th</sup> day of September, 2022 at 11:00 A.M at the Registered Office of the Company at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008.

\_\_\_\_\_  
Signature of Member/Proxy

**Notes :**

- 1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.**





**PROXY FORM**

Member's Folio No : \_\_\_\_\_

I/We \_\_\_\_\_ of  
 \_\_\_\_\_ in the district of  
 \_\_\_\_\_ being a member/members of **PACT INDUSTRIES LIMITED**, hereby appoint \_\_\_\_\_ of  
 \_\_\_\_\_ in the district of  
 \_\_\_\_\_ or failing him/her \_\_\_\_\_ of  
 \_\_\_\_\_ in the district of  
 \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company held on Friday, 30<sup>th</sup> day of September, 2022 at 11:00 A.M at the Registered Office of the Company at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Affix Re. 1/- Revenue Stamp here
-------------------------------------

**Note :**

- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself / herself.**
- If it is intended to appoint a proxy, the form of proxy should be deposited at the Registered Office of the Company at least 48 hours before the commencement of meeting.**

No.	Resolution	For	Against
1.	To receive, consider and adopted audited financial statements along with reports of the Board of Directors and Auditors thereon for the financial year ended 31 <sup>st</sup> March, 2022. (Ordinary Resolution)		
2.	To consider the appointment of Mr. Harpreet Singh (DIN: 00570541), who retires by rotation and being eligible, offers himself for reappointment (Ordinary Resolution).		
3.	To Approve Related Party Transaction (Special Resolution).		



## **PACT INDUSTRIES LIMITED**

L18101PB1993PLC013193

Registered Office: 303, Hotel The Taksonz,

Opp. Railway Station, Ludhiana-141008

Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com)

Website: [www.pactindustries.in](http://www.pactindustries.in)