

PROMACT IMPEX LIMITED

(formerly known as Promact Plastics Limited)

[CIN: L25200GJ1985PLC007746]

Registered Office: 106, Harikrupa Chambers, behind National Chambers, Ashram Road, Ahmedabad – 380 009
Tel: (079) 2658 3479, 2658 7714 Fax: (079) 2658 0950 Email: promactplastics@rediffmail.com

14th August, 2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Company Code No. 526494

Dear Sir;

Sub: Submission of Notice of 36th Annual General Meeting and Annual Report 2019-20

Pursuant to Regulation 30 and 34(1)(a) of SEBI (LODR) Regulations, 2015, we are enclosing herewith:

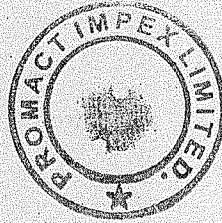
1. Notice of 36th Annual General Meeting of the members of the Company.
2. Annual Report 2019-20.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,
for PROMACT IMPEX LIMITED,

Nikita J Patel
NIKITA J. PATEL
MANAGING DIRECTOR
(DIN:03092770)



Encl: As above.



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36TH

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[CIN: L25200GJ1985PLC007746]

36TH ANNUAL REPORT 2019-20

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|---|---|--|-------------------|
| BOARD OF DIRECTORS | : | Mr. Miteshkumar A. Patel | Chairman |
| | | Ms. Nikita J. Patel | Managing Director |
| | | Ms. Payalben J. Patel | Director |
| | | Mr. Akash D. Patel | Director |
| | | Mr. Ravi L. Patel | Director |
| | | Mr. Ankit J. Patel | Director |
| CFO | : | Mr. Vipul F. Bhavsar | |
| COMPANY SECRETARY & COMPLIANCE OFFICER | : | Mr. Parth B. Thakkar | |
| BANKERS | : | Sarvodaya Commercial Co-op Bank Ltd., Mehsana | |
| STATUTORY AUDITORS | : | M/s. B. M. Modi & Co., Chartered Accountants, Mehsana. | |
| SECRETARIAL AUDITORS | : | Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. | |
| REGISTERED OFFICE | : | 106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad-380 009. | |
| FACTORY | : | 392 to 403, GIDC Estate, Phase-II, Dediyasan, Mehsana-384 002. | |
| REGISTRAR & SHARE TRANSFER AGENTS | : | Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad - 380 006. | |
| WEBSITE | : | www.promactimpex.com | |

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **PROMACT IMPEX LIMITED (FORMERLY KNOWN AS PROMACT PLASTICS LIMITED)** WILL BE HELD ON FRIDAY, THE 18TH SEPTEMBER, 2020 AT 3.00 P.M. IST THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ankit J. Patel (DIN: 02351167), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 188, 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company do hereby accord its approval to the re-appointment of Ms. Nikita J. Patel (DIN: 03092770) as Managing Director of the Company, not liable to retire by rotation, for a period of 3 years with effect from 23rd September, 2020 to 22nd September, 2023 on the terms and conditions and the remuneration mentioned hereunder (which have been approved by Nomination and Remuneration Committee) and that she be paid remuneration (even in the year of losses or inadequacy of profit) by way of Salary, perquisites and Commission not exceeding the amount thereof as set out in the Explanatory Statement which is permissible under Section II of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.”

Registered Office:

106, Harikrupa Chambers,
B/h. National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 21st July, 2020

By Order of the Board,

Parth B. Thakkar
Company Secretary & Compliance Officer

NOTES :

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the Notice is annexed hereto.
2. In view of the continuing COVID-19 pandemic, the 36th AGM will be held on Friday, the 18th September, 2020 at 3.00 P.M. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 8th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020, MCA General Circular No. 20/2020 dated 5th May, 2020 and MCA General Circular No. 22/2020 dated 15th June, 2020 and in compliance with the provisions of the Companies Act, 2013 (“Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 36th AGM shall be the Registered Office of the Company. Annual Report will not be sent in physical form.
3. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/ OAVM are requested to send to the Company on their email ID promactplastics@rediffmail.com, a certified copy of the Board Resolution/ authorization letter authorising their representative to attend and vote on their behalf at the Meeting and through E-voting.



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5. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.promactimpex.com, website of stock exchange i.e. BSE Limited at www.bseindia.com and that of Central Depository Services (India) Limited (agency for providing remote e-voting facility), www.evotingindia.com.
 6. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 8. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
 - (i) 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 RTA at their e-mail id: ahmedabad@linkintime.co.in.
 - (ii) For Demat shareholders -, Members holding Shares in Demat mode can get their E-mail IDs registered with their respective DPs or by E-mail to ahmedabad@linkintime.co.in.
 - (iii) The RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.
 9. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/ OAVM are given in this Notice under Note No. 28.
 10. As the Annual General Meeting of the Company is held through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this Notice of AGM at the email ID promactplastics@rediffmail.com.
 11. The Register of Members and Share Transfer Books will remain closed from **12th September, 2020 to 18th September, 2020** (both days inclusive) for the purpose of Annual General Meeting (AGM).
 12. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA). Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
 13. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India, the brief profile/ particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) are stated at the end of the Explanatory Statement annexed hereto.
 14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/ RTA.
 15. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
 16. The Shareholders holding Shares in Physical form are advised to get their shares dematerialised as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
 17. This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1st April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.
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18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
19. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and Relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to promactplastics@rediffmail.com.
20. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 27 & 29.
21. The Annual Report alongwith the Notice of AGM will be placed on the Company's website on www.promadimpex.com
22. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006 Email ID: ahmedabad@linkintime.co.in.
23. Members are requested to quote their Folio No. or DP ID/ Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.
24. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

VOTING THROUGH ELECTRONIC MEANS:

25. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business set out in the Notice above may be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
26. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

27. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The remote e-voting period begins on **at 9.00 a.m. on Tuesday, 15th September, 2020 and ends at 5:00 p.m. on Thursday, 17th September, 2020**. 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. **11th September, 2020** may cast their vote electronically(i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now, fill up the following details in the appropriate boxes:

| | | |
|---------|----|---|
| User ID | a. | For CDSL: 16 digits Beneficiary ID |
| | b. | For NSDL: 8 Character DP ID followed by 8 Digits Client ID |
| | c. | Members holding shares in Physical Form should enter Folio Number registered with the Company |



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- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field. |
| Dividend Bank Details OR 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. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for PROMACT IMPEX LIMITED (Formerly known as Promact Plastics Limited).
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also use Mobile app - "m - Voting" for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s). Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) Note for Non – Individual Members and Custodians:
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to 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; promactplastics@rediffmail.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.

28. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

- (i) Members will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
- (ii) Members/Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Members who are desirous of attending the AGM through VC/OAVM and whose email IDs are not registered with the RTA of the Company/DP, may get their email IDs registered as per the instructions provided in point No. 8 of this Notice.
- (iv) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the step and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting.
- (v) Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at promactplastics@rediffmail.com. These queries will be replied by the Company suitably by email.
- (viii) Those members/shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

29. INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those members/shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the members/shareholders through the e-voting available during the AGM and if the same members/shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members/shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (iv) Members/Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM. In case any Member who had voted through Remote E-voting, casts his vote again at the E- Voting provided during the AGM, then the Votes cast during the AGM through E-voting shall be considered as Invalid.



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If you have any queries or issues regarding attending AGM & e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 or call on 022-23058542/43.

30. Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad has been appointed as the Scrutinizer to scrutinize the remote e-voting & e-voting process in a fair and transparent manner.
31. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchange viz. BSE Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS MENTIONED IN THE NOTICE OF 36TH ANNUAL GENERAL MEETING DATED 21ST JULY, 2020

In respect of Item No. 3:

In conformity with the provisions of Section 102 of the Companies Act, 2013, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at item No. 3 in the accompanying Notice dated 21st July, 2020 and should be taken as forming part of the notice.

Shareholders may recall that in the 34th Annual General Meeting held on 17th September, 2018, Ms. Nikita J. Patel was elevated as Managing Director of the Company for a period of three years from 23rd September, 2017.

The Board of Directors, on the recommendation on Nomination and Remuneration Committee, in their meeting held on 21st July, 2020 have re-appointed Ms. Nikita J. Patel as Managing Director for a period of 3 years i.e. from 23rd September, 2020 to 22nd September, 2023.

The major terms of the remuneration of Managing Director are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of 3 years from 23rd September, 2020 to 22nd September, 2023 (not liable to retire by rotation).

II. REMUNERATION:

A. SALARY:

The Managing Director shall be entitled to salary up to Rs. 1,00,000/- per month.

B. PERQUISITES:

1. The Managing Director shall be entitled to reimbursement of medical expenses for herself and family subject to a ceiling of half month's salary per year or one and half months' salary over a period of three years.
2. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
4. Encashment of leave at the end of the tenure.
5. Free use of Company's car with driver for Company's business and free telephone facility at residence.
6. Leave Travel Concession for self and family at a rate not exceeding one month's salary for one year or three months' salary in a block of three years.

- III. The Managing Director shall be entitled to reimbursement of expenses incurred by her in connection with the business of the Company.

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IV. The Managing Director shall not, so long as she functions as such, become interested or otherwise concerned directly or through her Spouse and/ or minor children in any selling agency of the Company without the prior approval of the Central Government.

V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to her by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

VI. TERMINATION:

The Managing Director may be removed from her office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Managing Director may resign from her office by giving 90 days' notice to the Company.

VII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 202 of the Companies Act, 2013.

As per the provisions of Sections 188,196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013, Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The following is the details of interest of Directors/ Key Managerial Personnel/ Relative of Director/ Relative of Key Managerial Personnel:

| Sr. No | Category | Name of Interested Director / KMP | Financial Interest | Non- Financial Interest |
|--------|--------------------------------------|---|---|-------------------------|
| 1. | Director | Ms. Nikita J. Patel | Relates to her appointment as Managing Director, she may be deemed to be concerned or interested in the business | |
| 2. | Key Managerial Personnel | - | - | - |
| 3. | Relative of Director | Mr. Ankit J. Patel Ms. Payalben J. Patel | Relates to reappointment of Ms. Nikita J. Patel as Managing Director, relative of these Directors and therefore, they may be deemed to be concerned or interested in the business | |
| 4. | Relative of Key Managerial Personnel | - | - | |

The following are the information required under Section II of Part II of Schedule V of the Companies Act, 2013:

| Sr. No | Particulars | Information |
|------------------------------|---|--|
| I GENERAL INFORMATION | | |
| 1 | Nature of industry | HDPE/ PP Woven Fabrics/ Bags/ Tarpaulin/ Import and Export of Agri Products & others |
| 2 | Date or expected date of commencement of commercial production | Existing |
| 3 | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N.A. |
| 4 | Financial performance based on given indicators | Rs. 1647.69 lakh turnover (2019-20) |
| 5 | Exports performance and net foreign exchange collaborations | NIL (2019-20) |
| 6 | Foreign investments or collaborations, if any. | N.A. |



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

| II INFORMATION ABOUT THE APPOINTEE | | |
|---|--|--|
| 1 | Background details | Masters in Computer Applications |
| 2 | Past remuneration | Up to Rs. 1,00,000/- per month |
| 3 | Recognition or awards | - |
| 4 | Job profile and his suitability | More than 10 years on the Board of the Company of which ~3 years as Managing Director |
| 5 | Remuneration proposed | Up to Rs. 1,00,000/- per month |
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t the country of his origin.) | Remuneration is in commensurate with experience & qualifications. It is lower compared to industry standard formula. |
| 7 | Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any | Ms. Nikita J. Patel is the Managing Director of the Company. |
| III OTHER INFORMATION | | |
| 1 | Reasons of loss or inadequate profits | High Market competition |
| 2 | Steps taken or proposed to be taken for improvement | Rationalisation of existing product Range and Opening new Markets |
| 3 | Expected increase in productivity and profits in measurable terms | Turnover expected to increase in future years |
| IV DISCLOSURES | | |
| 1 | The shareholders of the Company shall be informed of the remuneration package of the managerial person | The shareholders have been informed in the notice of 36 th Annual General Meeting. |
| 2 | The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report: | Yes |
| 2(i) | All elements of remuneration package such as salary, benefits, bonuses, stock, stock options, pension, etc, of all the directors; | No other Director is entitled for any remuneration. |
| 2(ii) | Details of fixed component and performance linked incentives along with the performance criteria; | No performance linked incentives. |
| 2(iii) | Service contracts, notice period, severance fees; | 90 days' Notice. |
| 2(iv) | Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable; | No stock options have been offered. |

Ms. Nikita J. Patel, Mr. Ankit J. Patel and Ms. Payalben J. Patel may be treated as interested as described above.

No other Directors, Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise in this resolution.

The Board recommends the resolution for your approval as a Special Resolution.

Registered Office:
106, Harikrupa Chambers,
B/h. National Chambers,
Ashram Road,
Ahmedabad-380 009.
Date : 21st July, 2020

By Order of the Board,

Parth B. Thakkar
Company Secretary & Compliance Officer

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BRIEF PARTICULARS/ PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:

| Naame of Director with DIN | Ankit J. Patel DIN: 02351167 | Nikita J. Patel DIN: 03092770 |
|--|--|--|
| Age (in years) | 32 | 36 |
| Date of Birth | 21/03/1988 | 11/06/1984 |
| Date of Appointment | 29/05/2010 | 23/09/2017(current designation) |
| Qualifications | Bachelor of Computer Science & Engineering (USA) | M.C.A |
| Experience / Expertise | Extensive experience in the field import export trading, technology, general administration and management | Technical, Mangement & Administration, Factory Management and Computer Software and Hardware Programming |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | As per resolution at item no. 2 and 3 of the Notice convening this Meeting read with explanatory statement thereto | |
| Remuneration last drawn by such person, if any. | Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return) | |
| Shareholding in the Company | 4,72,565 Equity shares | 2,70,943 Equity shares |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Ankit J. Patel, Nikita J. Patel and Payalben J. Patel are related to each other | Nikita J. Patel, Ankit J. Patel and Payalben J. Patel are related to each other |
| Number of Meetings of the Board attended during the year | 6 | 6 |
| List of Public Limited Companies in which Directorships held | - | - |
| List of Private Limited Companies in which Directorships held | 1. Ornate Pharma Pvt. Ltd. 2. Prabhu Ispat Pvt. Ltd. | Prabhu Ispat Pvt. Ltd. |
| Chairman/Member of the Committees of Directors of other Companies | Nil | Nil |
| Justification for choosing the appointee for appointment as Independent Directors | N.A. | N.A. |



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 36th ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2019-20 ended 31st March, 2020.

1. FINANCIAL RESULTS:

(₹ in Lakh)

| Particulars | 2019-20 | 2018-19 |
|--|----------|----------|
| Operating Profit (Before Interest & Depreciation) | 94.07 | 201.00 |
| Less: Interest | 62.93 | 94.36 |
| Profit before Depreciation | 31.14 | 106.64 |
| Less: Depreciation | 6.41 | 6.38 |
| Profit Before Tax | 24.73 | 100.27 |
| Less: Provision for taxation | 2.45 | 10.00 |
| (Add)/ Less: Tax of earlier years | (2.00) | (7.50) |
| Profit for the year after Tax | 24.27 | 97.77 |
| (Debit) Balance brought forward from Previous year | (892.84) | (990.60) |
| (Debit) Balance carried to Balance Sheet | (868.56) | (892.84) |

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2020 and date of this report.

2. DIVIDEND:

With a view to conserve the resources for the working capital requirement of the Company, the Board of Directors has not recommend any dividend on the Equity Shares for the year under review ended 31st March, 2020.

3. SALES & WORKING RESULTS:

The Company has generated revenue from operations of Rs.1647.69 lakh during the year under review as compared to Rs. 3151.45 lakh during 2018-19. The Company has earned other income of Rs. 9.34 lakh during the year under review during the year under review as compared to Rs. 8.33 lakh during 2018-19. The Profit before Interest and Depreciation during the year 2019-20 was Rs. 94.07 lakh as compared to Rs. 201.00 lakh during the year 2018-19. As the Company had to provide for Interest of Rs.62.93 lakh during the year under review, the Profit before Depreciation was Rs. 31.14 lakh as compared to Rs. 106.64 lakh during 2018-19. The Company provided Rs. 6.41 lakh for Depreciation during the year under review. After adjusting for taxes, the Net Profit for the year under review stood at Rs. 24.27 lakh as against Net Profit of Rs. 97.77 lakh during 2018-19.

4. FINANCE:

- 4.1 During the year under review, the Company was generally regular in payment of Principal and Interest to the Financial Institutions/Banks. The Company was enjoying Working Capital Facilities from Sarvodaya Commercial Co-op Bank Ltd. during the year under review.
- 4.2 The Income tax and Sales tax Assessment of the Company have been completed up to Assessment Year 2015-16 and the Financial Year 2015-16 respectively.

5. COVID-19 PANDEMIC:

Due to outbreak of Covid-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid-19. There is slow down in the business of the Company due to lockdown which had impact on operations. However, the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities and compliance with the debt covenants, applicable, if any.

6. LISTING:

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2020-21.

7. SHARE CAPITAL:

The paid up Share Capital of the Company as on 31st March, 2020 was Rs. 6,51,18,000. As on 31st March, 2020, the Company has not issued shares with differential voting rights nor granted stock options nor do sweat equity and none of the Directors of the Company hold any convertible instruments.

8. RESERVES:

Your Company does not propose to transfer any amount to general reserve.

9. DIRECTORS:

9.1 One of your Directors viz. Mr. Ankit J. Patel (DIN:02351167), retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for reappointment.

9.2 The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

9.3 Mr. Miteshkumar A. Patel (DIN:06731818) has been re-appointed as Independent Director of the Company at the 35th Annual General Meeting for a second consecutive term of 5 years i.e. up to conclusion of 40th Annual General Meeting.

9.4 It is proposed to re-appoint Ms. Nikita J. Patel (DIN:03092770) as Managing Director of the Company, for a period of 3 years with effect from 23rd September, 2020 to 22nd September, 2023 at the ensuing Annual General Meeting.

9.5 Brief profile of the Directors being appointed and re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for appointment/reappointment of Independent Directors are provided in the notice for the forthcoming AGM of the Company.

9.6 The Board of Directors duly met 6 times during the financial year under review.

9.7 Formal Annual Evaluation:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

9.8 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2020 being end of the financial year 2019-20 and of the profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.
- (v) 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.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.



11. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

| Sr. No. | Name of the Director & Designation | Remuneration for the year 2019-20 | % increase over last year | Parameters | Median of Employees Remuneration | Ratio | Commission received from Holding/ Subsidiary |
|---------|--------------------------------------|-----------------------------------|---------------------------|------------|----------------------------------|-------|--|
| 1. | Nikita J. Patel Managing Director | NIL | N.A. | - | ₹ 2,29,000/- | N.A. | N.A. |

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website www.promactimpex.com.

12. KEY MANAGERIAL PERSONNEL :

% INCREASE IN REMUNERATION OF DIRECTORS & KMP:

| Sr. No. | Name of the Director & KMP | Designation | Percentage Increase (If any) |
|---------|----------------------------|-------------------------|------------------------------|
| 1. | Ms. Nikita J. Patel | Managing Director | N.A. |
| 2. | Mr. Vipul Bhavsar | CFO | NIL |
| 3. | Mr. Parth B. Thakkar | CS & Compliance Officer | * |

* Mr. Parth B. Thakkar was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 19th November, 2018. Hence, previous year figures are not comparable.

13. PERSONNEL AND H. R. D.:

13.1 INDUSTRIAL RELATIONS:

The industrial relations continued to remain cordial and peaceful.

The relationship between average increase in remuneration and Company's performance is as per the appropriate performance benchmarks and reflects short and long term performance objectives appropriate to the working of the Company and its goals.

13.2 PARTICULARS OF EMPLOYEES:

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.

14. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.promactimpex.com.

15. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE818D01011.

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

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption are not applicable as there are no manufacturing activities during the year under review. The Company has not earned or spent any foreign exchange during the year under review.

17. CORPORATE GOVERNANCE AND MDA:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance (on a voluntary basis), Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - A**.

18. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – B**.

19. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – C**.

20. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details of various committees and their functions are part of Corporate Governance Report.

21. GENERAL:

21.1. AUDITORS:

STATUTORY AUDITORS:

At the 33rd Annual General Meeting held on 22nd September, 2017 M/s. B. M. Modi & Co., Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company to hold office for the period of 5 years i.e. for the financial years 2017-18 to 2021-22.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

21.2 INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

21.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

21.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work are monitored regularly with reference to statutory regulations and guidelines defined by the Company.

21.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

21.6 CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

21.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There have been no significant and material orders passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.



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21.8 ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

21.9 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

22. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

23. DISCLOSURE OF MAINTENANCE OF COST RECORDS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

24. ACKNOWLEDGEMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co operation. Your Directors also place on record their grateful appreciation and co-operation received from Bankers, Financial Institutions, Government Agencies and employees of the Company.

For and on behalf of the Board,

Place : Ahmedabad.
Date : 21st July, 2020

Miteshkumar A. Patel
Chairman
(DIN:06731818)

VOLUNTARY REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2020 and also up to the date of this Report.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long -term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulation) is given below:

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors as on 31st March, 2020 and on the date of report is:

| Name of Directors | Category of Directorship | No. of other Directorships @ | No. of Committee position in other Companies** | | No. of Board Meetings attended during 2019-20 | Attendance at the AGM held on 12-09-2019 Yes(Y)/No(N) |
|--------------------------------------|--------------------------|------------------------------|--|----------|---|---|
| | | | Member | Chairman | | |
| Miteshkumar A. Patel, Chairman | Independent | — | — | — | 6 | Y |
| Nikitaben J. Patel Managing Director | Promoter Executive | — | — | — | 6 | Y |
| Payalben J. Patel | Promoter Non-Executive | — | — | — | 6 | Y |
| Ankit J. Patel | Promoter Non-Executive | — | — | — | 6 | Y |
| Akash D. Patel | Independent | — | — | — | 6 | Y |
| Ravi L. Patel | Independent | — | — | — | 6 | Y |

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

** for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

Ms. Nikita J. Patel, Ms. Payalben J. Patel and Mr. Ankit J. Patel are related to each other.



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- b) Directorship in Listed Entities other than Promact Impex Limited (formerly known as Promact Plastics Limited) and the category of directorship as on 31st March, 2020 is as follows:

| Name of Director | Name of listed Company | Category of Directorship |
|----------------------|------------------------|--------------------------|
| Miteshkumar A. Patel | - | - |
| Nikita J. Patel | - | - |
| Payalben J. Patel | - | - |
| Ankit J. Patel | - | - |
| Akash D. Patel | - | - |
| Ravi L. Patel | - | - |

- c) **Relationships between directors inter-se:**

Ms. Nikita J. Patel, Ms. Payalben J. Patel & Mr. Ankit J. Patel are related to each other.

- d) **Board Procedures:**

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/ approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meetings of the Board of Directors for a period from 1st April, 2019 to 31st March, 2020 were held 6 times on 12-04-2019; 17-05-2019; 18-07-2019; 13-08-2019; 14-11-2019 and 14-02-2020.

- e) **Shareholding of Non- Executive Directors as on 31st March, 2020:**

| Name of the Non- Executive Director | No. of Shares held | % Shareholding |
|-------------------------------------|--------------------|----------------|
| Ankit J. Patel | 472565 | 7.26 |
| Miteshkumar A. Patel | 221 | 0.00 |
| Akash D. Patel | - | - |
| Ravi L. Patel | - | - |
| Payalben J. Patel | 367834 | 5.65 |

- f) **Familiarization Program for Independent Directors:**

The details of the familiarization program are available on the Company's website www.promactimpex.com

- g) **Chart or Matrix setting out the skills/ expertise/ competence of the Board of Directors specifying the following:**

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

| | |
|---|---|
| Business Management & Leadership | Leadership experience including in areas of general management, business development, strategic planning and long-term growth. |
| Industry Domain Knowledge | Knowledge about products & business of the Company and understanding of business environment, |
| Financial Expertise | Financial and risk management, Internal control, Experience of financial reporting processes, capital allocation, resource utilization, Understanding of Financial policies and accounting statement and assessing economic conditions. |
| Governance & Compliance | Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values. |

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In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

| Name of Director | Business Leadership | Industry Domain Knowledge | Financial Expertise | Governance & Compliance |
|----------------------|---------------------|---------------------------|---------------------|-------------------------|
| Miteshkumar A. Patel | Y | N | Y | Y |
| Nikita J. Patel | Y | Y | Y | Y |
| Payalben J. Patel | Y | Y | Y | Y |
| Ankit J. Patel | Y | Y | N | Y |
| Akash D. Patel | Y | N | Y | Y |
| Ravi L. Patel | Y | N | Y | Y |

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

- h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.
- i) None of the Independent Directors of the Company resigned during the financial year and hence no disclosure is required with respect to Clause 2(j) of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of the Report:

| Name of the Directors | Expertise | Terms of reference & Functions of the Committee | No. of Meetings Attended during 2019-20 |
|--------------------------------|---|--|---|
| Miteshkumar A. Patel, Chairman | All members are Non Executive. Chairman is Independent Director and majorities are independent. One member has thorough financial and accounting knowledge. | The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies. | 4 of 4 |
| Akash D. Patel | | | 4 of 4 |
| Ravi L. Patel | | | 4 of 4 |

The Audit Committee met 4 times during the Financial Year 2019-20. The maximum gap between two meetings was not more than 120 days. The Committee met on 17-05-2019; 13-08-2019; 14-11-2019 & 14-02-2020. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION & REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of the following Directors as on the date of the Report.

| Name of the Directors | Functions of the Committee | No. of Meetings Attended during 2019-20 |
|--------------------------|--|---|
| Akash D. Patel, Chairman | All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees. | 1 of 1 |
| Miteshkumar A. Patel | | 1 of 1 |
| Ravi L. Patel | | 1 of 1 |



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Terms of reference and Nomination & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

5. REMUNERATION OF DIRECTORS:

1. Ms. Nikita J. Patel, Managing Director has not drawn any managerial remuneration during the financial year 2019-20.
2. No Sitting Fees, Commission or Stock Option has been offered to any other Directors.
3. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
4. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
5. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
6. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
7. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2020.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

1. Ms. Ravi L. Patel Chairman
2. Ms. Nikita J. Patel Member
3. Mr. Akash D. Patel Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2020

Mr. Parth B. Thakkar is the Compliance Officer for the above purpose.

7. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

| Financial Year | Date | Time | Venue |
|----------------|------------|-----------|---|
| 2016-17 | 22-09-2017 | 3:00 p.m. | At Banquet Hall Of Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad- 380 006 Special Resolution: <ul style="list-style-type: none"> - Elevation of Ms. Payalben J. Patel as Managing Director of the Company for a period of three years from 21st November, 2016 - Authority to Link Intime India Private Limited (RTA) for maintaining Register of Members together with the Index of members of the Company and copies of Annual Returns. |
| 2017-18 | 17-09-2018 | 3:00 p.m. | At Banquet Hall Of Hotel Kanak, Opp. Gujarat College, Ellisbridge, Ahmedabad- 380 006 Special resolution:- <ul style="list-style-type: none"> - Elevation of Ms. Nikita J. Patel as Managing Director of the company for a period of three years from 23rd september, 2017 - To give authority to the Board of Directors under section 186 of the Companies Act, 2013 - Alteration/ Amendment In Existing Main Object Clause Of The Memorandum Of Association Of The Company - Change In The Name Of The Company From 'Promact Plastics Limited' To 'Promact Impex Limited' |
| 2018-19 | 12-09-2019 | 3:00 p.m. | At Pinnacle Grand Hotel & Banquets, Kargil Petrol Pump Lane, Nr. Doctor House, S.G. Highway, Sola Ahmedabad- 380060 Special resolution:- Reappointment of Mr. Miteshkumar A. Patel as an Independent Director of the Company for a term of 5 Consecutive Years |

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2019-20.

8. MEANS OF COMMUNICATION:

In compliance with the requirements of the SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website www.promactimpex.com.

The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31st March, 2020, no presentations were made to Institutional Investors or analyst or any other enterprise.



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

9. GENERAL SHAREHOLDERS' INFORMATION:

- a) Registered Office : 106, Harikrupa Chambers, Behind National Chambers, Ashram Road, Ahmedabad - 380 009.
- b) Annual General Meeting : Day : Friday
Date : 18th September, 2020
Time : 3:00 p.m.
Venue : Through Video Conferencing (VC) /Other Audio Visual Means (OAVM)*Pursuant to MCA / SEBI Circulars.
*For details please refer to the Notice to the AGM.
- c) Financial Year : 1st April, 2019 to 31st March, 2020
- d) Financial Calendar : 1st Quarter Results : Mid - August, 2020.
Half-yearly Results : Mid - November, 2020.
3rd Quarter Results : Mid - February, 2021.
Audited yearly Results : End - July, 2021.
- e) Book Closure Dates : From : Saturday, the 12th September, 2020
To : Friday, the 18th September, 2020
(Both days inclusive).
- f) Dividend Payment Date : N.A.
- g) Listing of Shares on Stock Exchanges : **BSE Limited,**
P. J. Towers, Dalal Street,
Mumbai - 400 001.

The Company has paid the annual listing fees for the financial year 2020-21 the Stock Exchange where its securities are listed.

- h) Stock Exchange Code :

| Stock Exchange | Code |
|----------------|--------|
| BSE | 526494 |

- i) Registrar and Share Transfer Agents. :

Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

Link Intime India Private Limited.
506-508, Amarnath Business Centre-1, (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ahmedabad – 380 006
Tele. No. : (079) 2646 5179
e-mail Address: ahmedabad@linkintime.co.in

- j) Share Transfer System :

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, SEBI has amended Regulation 40 of the Listing regulations effective from 1st April 2019, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1st April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of 1st April 2019 with the Registrar and Share transfer Agents of the Company. Hence, Shareholders are advised to get their shares dematerialized.

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.

kj) Stock Price Data :

The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

| Month | BSE | | | BSE Sensex |
|-----------------|----------|---------|----------------------|------------|
| | High (₹) | Low (₹) | No. of Shares Traded | |
| April, 2019 | 6.18 | 5.56 | 1,971 | 39,032 |
| May, 2019 | 5.80 | 5.35 | 18,672 | 39,714 |
| June, 2019 | 5.62 | 5.61 | 28,570 | 39,395 |
| July, 2019 | 5.62 | 5.35 | 26,689 | 37,481 |
| August, 2019 | 5.35 | 4.84 | 785 | 37,332 |
| September, 2019 | 4.91 | 4.67 | 462 | 38,667 |
| October, 2019 | 4.67 | 4.67 | 1 | 40,129 |
| November, 2019 | 4.50 | 4.28 | 1,045 | 40,794 |
| December, 2019 | 4.49 | 3.32 | 1,347 | 41,254 |
| January, 2020 | 3.82 | 3.02 | 9,367 | 40,723 |
| February, 2020 | 3.70 | 2.65 | 20,148 | 38,297 |
| March, 2020 | 2.77 | 2.51 | 6,056 | 29,468 |

l) Distribution of Shareholding as on 31st March, 2020:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| Upto 500 | 1688 | 67.11 | 289089 | 4.44 |
| 501 to 1000 | 354 | 14.08 | 266584 | 4.10 |
| 1001 to 2000 | 202 | 8.03 | 278868 | 4.28 |
| 2001 to 3000 | 84 | 3.34 | 216952 | 3.33 |
| 3001 to 4000 | 25 | 0.99 | 90091 | 1.38 |
| 4001 to 5000 | 24 | 0.95 | 112875 | 1.73 |
| 5001 to 10000 | 63 | 2.51 | 453659 | 6.97 |
| 10001 & above | 75 | 2.98 | 4803682 | 73.77 |
| Grand Total | 2515 | 100.00 | 6511800 | 100.00 |

m) Category of Shareholders as on 31st March, 2020:

| Category | No. of Shares held | % of Shareholding |
|---|--------------------|-------------------|
| Promoters | 2518685 | 38.68 |
| Financial Institutions/Banks | - | - |
| Mutual Fund | - | - |
| Other Bodies Corporate/Clearing Members | 28259 | 0.43 |
| Non Resident Indians | 9064 | 0.14 |
| Public | 3955792 | 60.75 |
| Grand Total | 6511800 | 100.00 |

n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs.

o) Dematerialisation of Shares and liquidity:

The Company's Equity Shares are traded compulsorily in dematerialised form. Approximately 92.15% of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE818D01011



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- p) **Commodity Price Risks and Commodity Hedging Activities:**
Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices.
- q) **Plant Location:**
392 - 403, GIDC Estate, Phase-II, Dediyaan, Mehsana 384002, Gujarat.
- r) **Address for Correspondence:**
For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Link Intime India Private Limited.
506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre,
Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad – 380 006
Tele. No. : (079) 2646 5179
e-mail Address: ahmedabad@linkintime.co.in

Compliance Officer : Mr. Parth B. Thakkar
- s) **CREDIT RATINGS:**
The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The industry is dependent on performance of core sectors like agriculture, fertilizer, cement and exports. Due to indifferent monsoon during last few years and in general recessionary economies, the performance of the above sectors was hit.

b. Opportunities and Threats:

The industry is threatened by non existence of exports to European Union due to heavy anti dumping duty levied on Indian products.

c. Segment wise Performance:

The Company is operating only in one segment. The production/ turnover/performance of the Company have been disclosed in the Directors' Report under the Head 'Sales and Working Results'.

d. Recent Trend and Future Outlook:

The opening up of food grains sector will enable the Woven Sacks industry to see better times again.

e. Risks and Concerns:

The industry is plagued by intense competition due to major petrochemical manufacturers making available cheap raw material abundantly.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2019-20 is described in the Directors' Report under the head 'Sales and Working Results'.

h. Material Developments in Human Resources and Industrial Relations Front:

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

i. **Key Financial Ratios:**

| Key Ratios | FY 2019-20 | FY 2018-19 | Change % | Explanation, if required |
|-----------------------------|------------|------------|----------|---|
| Debtors Turnover | 2.99 | 8.98 | (-) 67% | Negative impact on sales & delayed payments due to COVID-19 and consequent lockdown has resulted in the ratio worsening |
| Inventory Turnover | - | - | NA | There is no inventory as on 31-03-2020 and 31-03-2019 |
| Interest Coverage Ratio | 1.39 | 2.06 | (-) 33% | Negative impact due to COVID-19 and consequent lockdown has resulted in lower profits and thus, in the ratio worsening |
| Current Ratio | 0.54 | 0.82 | (-) 34% | Impact on operations has affected the ratio |
| Debt Equity Ratio | NA | - | NA | The Company has negative net worth |
| Operating Profit Margin (%) | 5.82 | 6.48 | (-) 10% | Impact on operations has affected the ratio |
| Net Profit Margin (%) | 1.47 | 3.10 | (-) 53% | Negative impact due to COVID-19 and consequent lockdown has resulted in lower profits and thus, in the ratio worsening |
| Return on Network | NA | - | NA | The Company has negative net worth |

j. **Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

11. **DISCLOSURES:**

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.
- c) The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d) The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e) The policy on related party transactions is disclosed on the Company's website viz. www.promactimpex.com
- f) Disclosure of Accounting Treatment :
Your Company has followed all relevant Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.
- h) The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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- i) A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –D**.
- j) During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- k) The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. M/ s. B. M. Modi & Co. and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

| Type of fee | 2019-20 | 2018-19 |
|----------------------|---------|---------|
| Audit Fees | 50,000 | 50,000 |
| Other fees (specify) | - | - |
| Other fees (specify) | - | - |

- l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| Sr. No. | Particulars | No. of complaints |
|---------|--|-------------------|
| 1 | Complaints filed during the financial year | Nil |
| 2 | Complaints disposed of during the financial year | Nil |
| 3 | Complaints pending as at the end of the financial year | Nil |

12. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

13. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i. The Company has a Non – Executive Chairman.
- ii. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company’s website.
- iii. The Company’s financial statements for the financial year 2019-20 do not contain any audit qualification.
- iv. The internal auditors report to the Audit Committee.

14. The Company, on voluntary basis, is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Place : Ahmedabad.
Date : 21st July, 2020

Mr. Miteshkumar A. Patel
Chairman
(DIN:06731818)

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2020.

For Promact Impex Limited,

Date : 21st July, 2020

Nikita J. Patel
Managing Director

Vipul F. Bhavsar
CFO

CERTIFICATE

To
The Members of
Promact Impex Limited
(formerly known as Promact Plastics Limited)

We have examined the compliance of conditions of Corporate Governance by Promact Impex Limited (formerly known as Promact Plastics Limited), for the year ended on 31st March, 2020 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46, para C, D and E of Schedule V and Part E of Schedule II of LODR.

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

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

Place : Ahmedabad
Date : 21st July, 2020

KASHYAP R. MEHTA
PROPRIETOR
FCS NO.: 1821 COP NO.: 2052 : PR-583/2019



FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

To,
The Members,
Promact Impex Limited
(Formerly known as Promact Plastics Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Promact Impex Limited (Formerly known as Promact Plastics Limited)** [CIN: L25200GJ1985PLC007746] ('hereinafter called the Company') having Registered Office at 106, Harikrupa Chambers, behind National Chambers, Ashram Road, Ahmedabad, Gujarat – 380 009. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives whether electronically or otherwise 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 **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period)
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014 (Not Applicable during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and
- (vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws etc. and sector specific laws such as The Recycled Plastics Manufacture and Usage Rules, 1999 for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants,

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Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

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

- (i) Secretarial Standards SS – 1 & SS – 2 issued by The Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Listing Agreement entered into by the Company with Stock Exchanges.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 duly passed Special Resolutions for re-appointment of Mr. Miteshkumar A. Patel as Independent Directors of the Company for second consecutive term at the 35th Annual General Meeting of the members of the Company held on 12th September, 2019

**For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES**

**KASHYAP R. MEHTA
PROPRIETOR**

**FCS-1821 : COP -2052 : PR-583/2019
UDIN:F001821B000481960**

Place : Ahmedabad
Date : 21st July, 2020

Disclaimer: Due to restricted movement amid COVID-19 pandemic, we have conducted the assignment by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year 2019-20. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

Note: This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.



To,
The Members,
Promact Impex Limited
(Formerly known as Promact Plastics Limited)

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

1. 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.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.

For KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES

KASHYAP R. MEHTA
PROPRIETOR

Place : Ahmedabad
Date : 21st July, 2020

FCS-1821 : COP -2052 : PR-583/2019
UDIN:F001821B000481960

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2020

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

I. REGISTRATION AND OTHER DETAILS:

| | | |
|-----|---|---|
| (1) | CIN | L25200GJ1985PLC007746 |
| (2) | Registration Date | 26-03-1985 |
| (3) | Name of the Company | Promact Impex Limited (Formerly known as Promact Plastics Limited) |
| (4) | Category / Sub-Category of the Company | Public Company Limited by Shares |
| (5) | Address of the registered Office and Contact Details | 106, Harikrupa Chambers, B/H National Chambers, Ahmedabad - 380 009. |
| (6) | Whether Listed Company | Yes |
| (7) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Ahmedabad – 380 006. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

| Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover |
|---|----------------------------------|---------------------|
| HDPE/PP Woven Fabrics/ Bags/ Tarpaulin/ Export & Import of Agri Product & others | 13925 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held as on 1 st April, 2019 | | | | No. of Shares held as on 31 st March, 2020 | | | | % Change during 2019-20 |
|---|--|----------|----------------|-------------------|---|----------|----------------|-------------------|-------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 2518685 | - | 2518685 | 38.68 | 2518685 | - | 2518685 | 38.68 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 2518685 | - | 2518685 | 38.68 | 2518685 | - | 2518685 | 38.68 | - |



PROMACT IMPEX LIMITED
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| | | | | | | | | | |
|--|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------|
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) VCF | - | - | - | - | - | - | - | - | - |
| f) Ins. Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign VCF | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 33659 | 1920 | 35579 | 0.54 | 26339 | 1920 | 28259 | 0.43 | (0.11) |
| b) Individuals | | | | | | | | | |
| i) Individuals holding < = Rs.1,00,000 | 1255760 | 394143 | 1649903 | 25.34 | 1230266 | 392743 | 1623009 | 24.92 | (0.42) |
| ii) Individuals holding > Rs. 1,00,000 | 2070424 | 114420 | 2184844 | 33.55 | 2125995 | 114420 | 2240415 | 34.41 | 0.86 |
| c) Others (specify) | | | | | | | | | |
| NRIs, Clearing Members & HUF | 120949 | 1840 | 122789 | 1.89 | 99592 | 1840 | 101432 | 1.56 | (0.33) |
| OCB | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | 3480792 | 512323 | 3993115 | 61.32 | 3482192 | 510923 | 3993115 | 61.32 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 3480792 | 512323 | 3993115 | 61.32 | 3482192 | 510923 | 3993115 | 61.32 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 5999477 | 512323 | 6511800 | 100.00 | 6000877 | 510923 | 6511800 | 100.00 | - |

ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding as on 01-04-2019 | | | Shareholding as on 31-03-2020 | | | % change in share holding during the year |
|---------|----------------------------|-------------------------------|----------------------------------|--|-------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Patel Jayantilal Somabhai | 329480 | 5.06 | - | 329480 | 5.06 | - | - |
| 2 | Payalben Jayantilal Patel | 367834 | 5.65 | - | 367834 | 5.65 | - | - |
| 3 | Nikita Jayantilal Patel | 270943 | 4.16 | - | 270943 | 4.16 | - | - |
| 4 | Patel Ankit Jayantilal | 472565 | 7.26 | - | 472565 | 7.26 | - | - |
| 5 | Jayantibhai Somabhai Patel | 288706 | 4.43 | - | 288706 | 4.43 | - | - |
| 6 | Savitaben Jayantilal Patel | 265749 | 4.08 | - | 265749 | 4.08 | - | - |
| 7 | Patel Narottam Somabhai | 189720 | 2.91 | - | 189720 | 2.91 | - | - |
| 8 | Patel Mital Sachinkumar | 161188 | 2.48 | - | 161188 | 2.48 | - | - |
| 9 | Patel Sachin Narottambhai | 75000 | 1.15 | - | 75000 | 1.15 | - | - |
| 10 | Patel Mital D | 65000 | 1.00 | - | 65000 | 1.00 | - | - |
| 11 | Krishnaben D Patel | 32500 | 0.50 | - | 32500 | 0.50 | - | - |

iii) Change in Promoters' Shareholding:

There is no change in the Promoters' shareholding during the financial year 2019-20.

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding as on 01-04-2019 | | Changes during the Year Increase/ (decrease) due to transfer | Shareholding as on 31-03-2020 | |
|------------------------------|-------------------------------------|-------------------------------|-------------------|--|-------------------------------|-------------------|
| | | No. of shares | % of total shares | | No. of shares | % of total shares |
| As on 01-04-2019/ 31-03-2020 | | | | | | |
| 1 | Subramanian P | 273490 | 4.20 | - | - | - |
| 2 | Heli Arvindbhai Patel | 311340 | 4.78 | - | 311340 | 4.78 |
| 3 | Ashok Shyamlal Khandelwal | 100000 | 1.54 | - | 100000 | 1.54 |
| 4 | Khodabhai Narsangbhai Patel | 89468 | 1.37 | - | 89468 | 1.37 |
| 5 | Patel Ajit Ambalal | 72919 | 1.12 | - | 72919 | 1.12 |
| 6 | Deepak Patel | 51391 | 0.79 | - | 51391 | 0.79 |
| 7 | Jayantibhai Narsangbhai Patel | 70311 | 1.08 | - | 70311 | 1.08 |
| 8 | Patel Hemal Naranbhai | 67105 | 1.03 | - | 67105 | 1.03 |
| 9 | Patel Shardaben Dashrathbhai | 55246 | 0.85 | - | 55246 | 0.85 |
| 10 | Patel Dharmendrabhai Babulal | 53254 | 0.82 | - | 53254 | 0.82 |
| 11 | Sangeetha S | - | - | 273490 | 273490 | 4.20 |
| 12 | Mehulkumar D Chaudhary | 21963 | 0.34 | 86768 | 108731 | 1.67 |



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(Formerly known as Promact Plastics Limited)

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

| Sr. No. | Shareholding, if any, of each Directors and each Key Managerial Personnel | Shareholding as on 01-04-2019 | | Changes in number of shares during the Year | Shareholding as on 31-03-2020 | |
|---------|---|-------------------------------|----------------------------------|---|-------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | | No. of shares | % of total shares of the Company |
| 1. | Nikita J. Patel | 270943 | 4.16 | - | 270943 | 4.16 |
| 2. | Payalben J. Patel | 367834 | 5.65 | - | 367834 | 5.65 |
| 3. | Ankit J. Patel | 472565 | 7.26 | - | 472565 | 7.26 |
| 4. | Miteshkumar A. Patel | 221 | 0.00 | - | 221 | 0.00 |
| 5. | Akash D. Patel | - | - | - | - | - |
| 6. | Ravi L. Patel | - | - | - | - | - |
| 7. | Vipul F. Bhavsar | 2607 | 0.04 | - | 2607 | 0.04 |
| 8. | Parth B. Thakkar | - | - | - | - | - |

V. **INDEBTEDNESS :**

(In ₹)

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

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|----|---------------------------------------|----------------------------------|----------------------|----------|----------------------|
| A. | Indebtedness as on 01-04-2019 | | | | |
| | i) Principal Amount | 6,50,30,489 | 3,42,82,308 | - | 9,93,12,797 |
| | ii) Interest due but not paid | - | - | - | - |
| | iii) Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 6,50,30,489 | 3,42,82,308 | - | 9,93,12,797 |
| B. | Change in Indebtedness during 2019-20 | | | | |
| | * Addition | - | - | - | - |
| | * Reduction | 34,17,562 | 3,42,82,308 | - | (3,76,99,870) |
| | Net Change | (34,17,562) | (3,42,82,308) | - | (3,76,99,870) |
| C. | Indebtedness as on 31-03-2020 | | | | |
| | i) Principal Amount | 6,16,12,927 | - | - | 6,16,12,927 |
| | ii) Interest due but not paid | - | - | - | - |
| | iii) Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 6,16,12,927 | - | - | 6,16,12,927 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Director, Manager or any other Directors:

| Sr. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager |
|---------|---|---|
| | | Ms. Nikita J. Patel, Managing Director |
| 1. | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission | - |
| 5. | Others, Please specify | - |
| | Total | - |
| | Ceiling as per the Companies Act | ₹ 1,20,00,000/- |

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | |
|---------|---|--|------------------------------|
| | | Mr. Parth B. Thakkar, CS & Compliance Officer | Mr. Vipul F. Bhavsar, CFO |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ₹ 1,32,000/- | ₹ 3,25,000/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | |
| 2. | Stock Option | - | |
| 3. | Sweat Equity | - | |
| 4. | Commission | | |
| 5. | Others, Please specify | | |
| | Total | ₹ 1,32,000/- | ₹ 3,25,000/- |

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences as on the date of report.



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]

To,
The Members of
Promact Impex Limited
(Formerly known as Promact Plastics Limited)
106, Harikrupa Shopping Centre,
Behind National Chambers, Ashram Road
Ahmedabad 380 009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Promact Impex Limited (Formerly known as Promact Plastics Limited) having CIN: L25200GJ1985PLC007746 and having registered office at 106, Harikrupa Shopping Centre, Behind National Chambers, Ashram Road, Ahmedabad 380 009 (hereinafter referred to as 'the Company'), produced before 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------------------|----------|----------------------------------|
| 1 | Miteshkumar A. Patel [#] | 06731818 | 27-11-2013 |
| 2 | Nikita J. Patel [§] | 03092770 | 23-09-2017 (Current Designation) |
| 3 | Payalben J. Patel | 03086759 | 11-10-2018 |
| 4 | Ankit J. Patel | 02351167 | 29-05-2010 |
| 5 | Akash D. Patel | 07941021 | 23-09-2017 |
| 6 | Ravi L. Patel | 07941039 | 23-09-2017 |

[#] re-appointed as Independent Director of the Company for a second consecutive term of 5 years w.e.f. 12-09-2019

[§] re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 23-09-2020 subject to approval of members at next general meeting

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 KASHYAP R. MEHTA & ASSOCIATES
COMPANY SECRETARIES**

**KASHYAP R. MEHTA
PROPRIETOR**

Place : Ahmedabad
Date : 21st July, 2020

**FCS - 1821 COP - 2052 : PR-583/2019
UDIN: F001821B000481982**

INDEPENDENT AUDITORS' REPORT

To,
The Members of
PROMACT IMPEX LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Promact Impex Limited (formerly known as Promact Plastics Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;



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making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". 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 of the act, as amended in our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B.M. Modi & Co.
Chartered Accountants
Firm's Registration No. 0106477W

Place : Mehsana.
Date : 21/07/2020

(B.M. Modi)
Proprietor.
M. No. 034060
UDIN :20034060AAAADN3993

ANNEXURE – I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Promact Impex Limited (formerly known as Promact Plastics Limited) of even date

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act")

- i. In respect of Company's fixed assets:-
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner 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 fixed assets 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.



PROMACT IMPEX LIMITED
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- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company has conducted physical verification of its inventories (excluding materials in transit and stock lying with third parties) at reasonable intervals. No material discrepancies were noticed during physical verification, if any.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. As informed to us, the company has not given any loan, made investments, given guarantees and securities to any person or party covered under Section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Sales Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues were outstanding, at the year end, for a period of more than six months from the date they become payable.
 - c. According to the records and information and explanation given to us, there is no dues outstanding in respect of income tax, Sales Tax, Goods and Services Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and Other Statutory Dues on account of any dispute as at the end of the period.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, banks.
- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) / term loan during the period.
- x. According to the information and explanations given to us and to the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us the Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation and records made available by the company, the Company has complied with the provision of Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation give to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For B.M. Modi & Co.
Chartered Accountants
Firm's Registration No. 0106477W

Place : Mehsana
Date : 21/07/2020

(B.M. Modi)
Proprietor
M. No. 034060
UDIN :20034060AAAAADN3993

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Promact Impex Limited (formerly known as Promact Plastics Limited) of even date)

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

We have audited the internal financial controls over financial reporting of **Promact Impex Limited (formerly known as Promact Plastics Limited)** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 (“the Act”) .

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 of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“the Guidance Note”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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.



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Mehsana
Date : 21/07/2020

For B.M. Modi & Co.
Chartered Accountants
Firm's Registration No. 0106477W

(B.M. Modi)
Proprietor
M. No. 034060
UDIN :20034060AAAADN3993

ANNUAL REPORT 2019-2020

BALANCE SHEET AS AT 31ST MARCH, 2020

| Particulars | Note No. | Amount in ₹ | |
|---|----------|--------------------------------------|--------------------------------------|
| | | As at 31 st March 2020 | As at 31 st March 2019 |
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 2 | 1,97,20,894 | 2,03,38,543 |
| (b) Capital work-in-progress | | - | - |
| (c) Intangible assets | | - | - |
| (d) Financial Assets | | | |
| (i) Investments | 3 | 55,600 | 55,550 |
| (ii) Other Financial Assets | 4 | 22,06,719 | 21,58,563 |
| (e) Non-current tax assets (Net) | | 1,34,35,186 | 1,34,35,186 |
| (f) Other assets | 5 | 32,00,000 | - |
| Total Non-current assets | | 3,86,18,399 | 3,59,87,842 |
| (2) Current assets | | | |
| (a) Inventories | 6 | - | - |
| (b) Financial assets | | | |
| (i) Investments | | - | - |
| (ii) Trade receivables | 7 | 5,26,92,283 | 5,76,42,827 |
| (iii) Cash and cash equivalents | 8 | 1,27,269 | 2,05,250 |
| (iv) Bank Balances other than (iii) above | 9 | - | - |
| (v) Other Financial assets | 10 | 66,30,522 | 1,91,00,079 |
| (c) Other current assets | 11 | 1,571 | 917 |
| Total current assets | | 5,94,51,645 | 7,69,49,073 |
| TOTAL ASSETS | | 9,80,70,044 | 11,29,36,916 |
| EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 12 | 6,51,18,000 | 6,51,18,000 |
| (b) Other equity | 13 | (7,77,59,595) | (8,01,87,017) |
| Total equity attributable to owners of the company | | (1,26,41,595) | (1,50,69,017) |
| (2) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 14 | - | 3,42,82,308 |
| (b) Provisions | 15 | - | - |
| (c) Deferred tax liabilities (Net) | | - | - |
| Total non-current liabilities | | - | 3,42,82,308 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 17 | 6,16,12,927 | 6,50,30,489 |
| (ii) Trade payables | 18 | 16,53,713 | - |
| (iii) Other financial liabilities | 19 | 3,45,948 | 11,89,294 |
| (b) Other current liabilities | 20 | 4,68,54,052 | 2,65,03,841 |
| (c) Provisions | 21 | - | - |
| (d) Liabilities for current tax (Net) | 22 | 2,45,000 | 10,00,000 |
| Total current liabilities | | 11,07,11,640 | 9,37,23,625 |
| TOTAL EQUITY & LIABILITIES | | 9,80,70,044 | 11,29,36,916 |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B.M. Modi & Co.

Chartered Accountants

Firm registration number: 0106477W

(B.M. Modi)

Proprietor

M.No. : 034060

UDIN : 20034060AAAAADN3993

Place : Mehsana

Date : 21/07/2020

For and on behalf of the Board of Director

Nikitaben J. Patel

(Managing Director)

DIN : 03092770

Vipul F. Bhavsar

[Chief financial officer]

Place : Ahmedabad

Date : 21/07/2020

Ankitbhai J. Patel

(Director)

DIN : 02351167

Parth B. Thakkar

[Company Secretary & Compliance Officer]

ACS - 56974



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars | Note No. | Amount in ₹ | |
|--|----------|---|---|
| | | For the year ended 31 st March 2020 | For the year ended 31 st March 2019 |
| I REVENUE | | | |
| Revenue from operations | 23 | 16,47,68,984 | 31,51,44,570 |
| Other Income | 24 | 9,34,218 | 8,32,649 |
| Total Income (I) | | 16,57,03,202 | 31,59,77,219 |
| II EXPENSES | | | |
| Cost of materials consumed | 25 | - | - |
| Purchases of Stock-in-Trade | 26 | 15,36,58,200 | 29,32,80,485 |
| Changes in inventories of finished goods, Stock-in-Trade and work in progress | 27 | - | - |
| Excise duty | 28 | - | - |
| Employee benefits expense | 29 | 8,87,300 | 8,03,300 |
| Finance costs | 30 | 62,92,911 | 94,35,829 |
| Depreciation and amortization expense | 2 | 6,41,086 | 6,37,782 |
| Other expenses | 31 | 17,50,859 | 17,93,113 |
| Total Expenses (II) | | 16,32,30,356 | 30,59,50,509 |
| III Profit before exceptional items and tax (I-II) | | 24,72,846 | 1,00,26,710 |
| IV Exceptional Items | | - | - |
| V Profit before tax (III-IV) | | 24,72,846 | 1,00,26,710 |
| VI Tax expense: | | | |
| (1) Current tax. | 16A | 2,45,000 | 10,00,000 |
| (2) Tax Of Earlier years (Excess I.T. Provision) | | (1,99,576) | (7,50,000) |
| (3) Deferred tax | | - | - |
| Total tax expenses | | 45,424 | 2,50,000 |
| VII Profit for the year | | 24,27,422 | 97,76,710 |
| Other Comprehensive Income | | | |
| (i) Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods: | | | |
| (a) Remeasurements of the defined benefit plans | | - | - |
| Income Tax effect | | - | - |
| (ii) Other Comprehensive Income that will be reclassified to profit or loss in subsequent periods: | | | |
| Income Tax effect | | - | - |
| VIII Total Other Comprehensive Income (i+ii) | | - | - |
| IX Total Comprehensive Income for the year (VII+VIII) | | 24,27,422 | 97,76,710 |
| Earning per share (Face Value of ₹ 10 each) | | | |
| - Basic & Diluted | 32 | 0.37 | 0.15 |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B.M. Modi & Co.
Chartered Accountants
Firm registration number: 0106477W
(B.M. Modi)
Proprietor
M.No. : 034060
UDIN : 20034060AAAADN3993
Place : Mehsana
Date : 21/07/2020

For and on behalf of the Board of Director

Nikitaben J. Patel
(Managing Director)
DIN : 03092770

Ankitbhai J. Patel
(Director)
DIN : 02351167

Vipul F. Bhavsar
[Chief financial officer]

Parth B. Thakkar
[Company Secretary & Compliance Officer]
ACS - 56974

Place : Ahmedabad
Date : 21/07/2020

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

| Particulars | (In ₹) | |
|--|---------------------|---------------------|
| | 31/03/2020 | 31/03/2019 |
| A CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit before Tax & Extra ordinary items | 24,72,846 | 1,00,26,710 |
| Adjustments for: | | |
| Depreciation | 6,41,086 | 6,37,782 |
| Financial Charges | 62,92,911 | 94,35,829 |
| Profit/ Loss on Sales of Fixed Assets (Net). | 0 | -1,16,929 |
| Dividend Income | -8,291 | -4,12,538 |
| Interest Received. | -96,815 | -22,442 |
| Interest Received on FDR | -53,453 | -38,722 |
| Interest Received on I.T.R. and Other | -7,75,660 | -2,42,018 |
| Operating Profit before working capital changes | 84,72,624 | 1,92,67,672 |
| Adjustment for : | | |
| Trade & other receivables / Sundry Debtors | 49,50,544 | -4,50,85,655 |
| Inventories | 0 | 0 |
| Loans & Advances & Deposits | 87,29,277 | -1,06,62,796 |
| Current liabilities (Trade Payable) | 2,04,05,578 | -1,35,84,243 |
| Cash generated from operations | 4,25,58,023 | -5,00,65,022 |
| Direct taxes paid | 4,91,470 | -6,88,390 |
| Net Cash from operating activities (A) | 4,30,49,493 | -5,07,53,412 |
| B CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets/Capital Work in Progress | -23,438 | - |
| Sale of Fixed Assets.. (Less Profit /Loss) | 0 | 29,14,071 |
| Profit on Sales of fixed Assets (Net) | 0 | 0 |
| Increase/(Decrease) in Investment | -50 | 26,94,950 |
| Dividend, Interest & other income, Excess IT.Provision | 11,33,795 | 15,82,649 |
| Net Cash used in Investing Activities (B) | 11,10,307 | 71,91,670 |
| C CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Increase/(Decrease) in cash credit | -34,17,562 | 6,50,30,489 |
| Increase/(Decrease) in Industrial O.D. | 0 | 0 |
| Increase/(Decrease) in term loan | 0 | 0 |
| Receipt/(Repayment) of loans/deposits | -3,42,82,308 | -1,09,64,249 |
| Inter Corporate Deposits Received /(Placed) | 0 | 0 |
| Current Year Tax | -2,45,000 | -10,00,000 |
| Financial Charges | -62,92,911 | -94,35,829 |
| Net Cash used in Financing Activities (C) | -4,42,37,781 | 4,36,30,411 |
| Net increase / (Decrease) in Cash & Cash Equivalent (A+B+C) | -77,981 | 68,669 |
| Opening Cash & Cash Equivalent-Opening Balance | 2,05,250 | 1,36,582 |
| Closing cash & Cash Equivalent-Closing Balance | 1,27,269 | 2,05,250 |

Notes on Cash Flow Statement for the year ended 31st March 2020 :

- The Cash Flow Statement is prepared in accordance with the format prescribed in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
- In part A of the Cash Flow Statement, figures in brackets indicate deductions made from Net Profit for deriving cash flow from operating activities. In Parts (B) and (C), figures in brackets indicate cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation

As per our report of even date

For and on behalf of the Board of Director

For B.M. Modi & Co.

Chartered Accountants

Firm registration number: 0106477W

(B.M. Modi)

Proprietor

M.No. : 034060

UDIN : 20034060AAAAADN3993

Place : Mehsana

Date : 21/07/2020

Nikitaben J. Patel

(Managing Director)

DIN : 03092770

Vipul F. Bhavsar

[Chief financial officer]

Place : Ahmedabad

Date : 21/07/2020

Ankitbhai J. Patel

(Director)

DIN : 02351167

Parth B. Thakkar

[Company Secretary & Compliance Officer]

ACS - 56974



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

| Particulars | Attributable to the equity holders of the company | | | | | Total |
|--|---|---|------------------|----------------------------|---------------------|----------------------|
| | Reserves & Surplus | | | | | |
| | Equity share capital | Retained Earnings | | Securities premium Account | Revaluation reserve | |
| | | Net Surplus in Statement of Profit & Loss | General Reserve | | | |
| As at April 1, 2019 | 6,51,18,000 | (9,90,60,253) | 90,96,527 | - | - | (2,48,45,727) |
| Add: Profit for the year | - | 97,76,710 | - | - | - | 97,76,710 |
| Add [Less]: Other Comprehensive income | - | - | - | - | - | - |
| Total Comprehensive Income | - | - | - | - | - | - |
| As at March 31, 2019 | 6,51,18,000 | (8,92,83,543) | 90,96,527 | - | - | (1,50,69,017) |
| Add: Profit for the year | - | 24,27,422 | - | - | - | 24,27,422 |
| Add [Less]: Other Comprehensive income | - | - | - | - | - | - |
| Total Comprehensive Income | - | - | - | - | - | - |
| As at March 31, 2020 | 6,51,18,000 | (8,68,56,121) | 90,96,527 | - | - | (1,26,41,595) |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B.M. Modi & Co.
Chartered Accountants
Firm registration number: 0106477W
(B.M. Modi)
Proprietor
M.No. : 034060
UDIN : 20034060AAAAADN3993
Place : Mehsana
Date : 21/07/2020

For and on behalf of the Board of Director

| | |
|--|--|
| Nikitaben J. Patel (Managing Director) DIN : 03092770 | Ankitbhai J. Patel (Director) DIN : 02351167 |
| Vipul F. Bhavsar [Chief financial officer] Place : Ahmedabad Date : 21/07/2020 | Parth B. Thakkar [Company Secretary & Compliance Officer] ACS - 56974 |

NOTES FORMING PARTS OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020.

Corporate Information:

Promact Impex Limited (Formerly Known as Promact Plastics Limited) a listed company at Bombay Stock Exchange Ltd. The company is engaged in manufacturing of HDPE / PP Woven Bags, Fabrics, Tarpauline, at Plot No. 392 to 403, G.I.D.C. Phase –II, Dediyaasan, Mehsana, Gujarat, India since more than Thirty Five years, Presently company engaged in Import & Export of Agro commodities, Minerals , Metals & etc.

Note No. 1 Accounting Policies

1. Basis of preparation

i. Compliance with Ind AS

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the company.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis.

iii. Use of estimates

In preparing the financial statements in conformity with accounting principles, management is required to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognised in the period the same is determined.

2. Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable. The amount disclosed as revenue is net of returns, trade discounts. The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Sale of products:

Timing of recognition- Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale.

Measurement of revenue- Revenue from sales is based on the price specified in the sales contracts, net of all discounts and returns at the time of sale.

Revenue from interest is recognized on accrual basis.

3. Property, plant and equipment

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and others non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Tangible fixed assets under construction are disclosed as capital work in progress.

Recognition:

The cost of an item of property, plant & equipment shall be recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



4. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Intangible assets are amortised on straight line basis over their estimated useful lives.

5. Depreciation and amortization expenses

Depreciation on tangible fixed assets and amortisation of intangible fixed assets is provided on the straight line method, as per useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Depreciation on sale/deduction from fixed assets is provided for upto the date of sale/adjustment, as the case may be.

6. Income tax

Income tax expense represents the sum of current and deferred tax (including MAT). Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Credit of MAT is recognised as an asset only when and 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 MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

7. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of respective assets during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

8. Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and traded goods comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

9. Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value

10. Provisions, contingent liabilities and contingent assets

A provision is recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Contingent liabilities are disclosed 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 will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognized.

11. Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value.

12. Impairment of assets

(i) Financial assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

(ii) Non-financial assets:

The carrying amounts of assets are reviewed at each balance sheet date in accordance with Ind AS 36 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

13. Employee benefits

Short-term obligations:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee is recognized during the period when the employee render the service.

Post Employee Benefits: Contribution to defined contribution scheme such as provident fund etc is charged to P&L Account as incurred.

14. Investments.

Long-term investments are valued at cost.

15. Research and Development.

No such expenditure incurred during the year.

16. Foreign Currency Transactions.

Foreign currency transactions are recorded in reporting currency at the date of transaction and exchange difference arise from initial transaction on settlement recorded as income or expenses in the year in which arise and have no foreign currency contract and also not have transaction on capital account if any.

17. Contingent Liabilities and Provision.

Contingent Liabilities are not provided for in the accounts and are disclosed separately in Notes to Accounts if any.

18. Borrowing Cost.

No such cost has been made during the year.

19. CSR Policy.

The provision of section 135 of companies Act, 2013, the corporate Social Responsibility is not applicable.

20. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)

Property, Plant and Equipment (Refer Note No 02)

(in ₹)

| Sr. No | Particulars | Gross Block | | | Depreciaton | | | | Net Block | | | |
|--------|--|------------------|--------------------------|---------------------------|------------------|------------------|--------------------------|---------------------------|----------------------------|------------------|------------------|------------------|
| | | As at 01.04.2019 | Addition during the year | Deduction during the year | As at 31.03.2020 | As at 01.04.2019 | Addition during the year | Deduction during the year | Adjustment during the year | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2019 |
| 1 | Lease hold Land. | 1446568 | 0 | 0 | 1446568 | 0 | 0 | 0 | 0 | 1446568 | 1446568 | 1446568 |
| 2 | Factory Building | 19269105 | 0 | 0 | 19269105 | 12697545 | 607372 | 0 | 0 | 13304917 | 5964188 | 6571560 |
| 3 | Plant and Machinery | 24986595 | 0 | 0 | 24986595 | 13302196 | 0 | 0 | 0 | 13302196 | 11684399 | 11684399 |
| 4 | Electrical Installations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Air Condition | 282594 | 0 | 0 | 282594 | 264885 | 0 | 0 | 0 | 264885 | 17709 | 17709 |
| 6 | Computer | 132590 | 0 | 0 | 132590 | 132590 | 0 | 0 | 0 | 132590 | 0 | 0 |
| 7 | Equipment. | 237633 | 0 | 0 | 237633 | 161294 | 0 | 0 | 0 | 161294 | 76339 | 76339 |
| 8 | Staff Quarter. | 804818 | 0 | 0 | 804818 | 340248 | 30408 | 0 | 0 | 370656 | 434162 | 464570 |
| 9 | Furnitur and Fixture. | 91781 | 0 | 0 | 91781 | 14384 | 0 | 0 | 0 | 14384 | 77397 | 77397 |
| 10 | Mobile | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | Television | 0 | 23438 | 0 | 23438 | 0 | 3306 | 0 | 0 | 3306 | 20132 | 0 |
| | SUB TOTAL (A) | 47251684 | 23438 | 0 | 47275122 | 26913142 | 641086 | 0 | 0 | 27554228 | 19720894 | 20338543 |
| II | Intangible Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SUB TOTAL (B) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III | Capital Work-in-progress | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SUB TOTAL (C) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IV | Intangible Assets Under Development | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SUB TOTAL (D) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total [A+B+C+D] | | | | | | | | | | | |
| | (Current Year) | 47251683 | 23438 | 0 | 47275122 | 26913142 | 641086 | 0 | 0 | 27554228 | 19720894 | 20338543 |
| | (Previous Year) | 51922661 | 0 | 4670980 | 47251683 | 28032268 | 637782 | 1756909 | 0 | 26913141 | 20338543 | 23890396 |

NOTES TO THE FINANCIAL STATEMENTS

| Particulars | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
|--|--------------------------------------|--------------------------------------|
| 3 Non-current Investments | | |
| (I) Investment in equity instruments (Unquoted) | | |
| The Mehsana Urban Co-Op. Bank Ltd. 2220 (PY : 2220) Share of ₹ 25/- each | 55,500 | 55,500 |
| (II) PNCPS Shares 04 Nos. (PY : 02 Share of Rs. 25/-each S.C.C.B Mehsana) | 100 | 50 |
| Sub Total (I) | 55,600 | 55,550 |
| AGGREGATE AMOUNT OF QUOTED INVESTMENTS | - | - |
| AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS (in ₹) | 55,600 | 55,550 |
| FAIR VALUE OF QUOTED INVESTMENTS (in ₹) | - | - |
| AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS (in ₹) | - | - |
| 4 Other Non-current Financial Assets | | |
| Security deposits | 14,17,850 | 14,17,850 |
| Margin Money Fixed Deposits with original maturity of more than 12 months | 7,88,869 | 7,40,713 |
| | 22,06,719 | 21,58,563 |
| 5 Other Non-current Assets | | |
| Provision for Income | 32,00,000 | - |
| | 32,00,000 | - |
| 6 Inventories (valued at lower of cost and net realizable value) (Refer Note No 1.13) | | |
| Raw materials | - | - |
| Work-in-progress | - | - |
| Finished goods | - | - |
| Waste | - | - |
| Stores & spares, Fuel | - | - |
| | - | - |
| 7 Trade receivables | | |
| Trade receivables | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | 5,26,92,283 | 5,76,42,827 |
| Considered Doubtful | - | - |
| Less : Allowance for Doubtful trade receivables | - | - |
| | 5,26,92,283 | 5,76,42,827 |
| No trade or other receivables are due from director or other officers of the company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member. | | |
| Reconciliation of allowances for doubtful debts | | |
| Balance at the beginning of the year | - | - |
| Add: Allowance for the year | - | - |
| (Less): Actual Write off during the year (net of recovery) | - | - |
| Balance at the end of the year | - | - |
| 8 Cash and Cash Equivalents | | |
| Cash on hand | 98,474 | 79,992 |
| Balances with banks | | |
| (i) On current accounts | 28,795 | 1,25,258 |
| (ii) Margin Money Fixed Deposits with original maturity of less than 3 months | - | - |
| Total | 1,27,269 | 2,05,250 |



PROMACT IMPEX LIMITED
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| Particulars | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
|---|--------------------------------------|--------------------------------------|
| 9 Balances with banks other than Cash and Cash Equivalents | | |
| (i) On unpaid dividend account | | |
| (ii) Margin Money Fixed Deposits with original of maturity more than 3 months but less than 12 months | | |
| Total | <u>-</u> | <u>-</u> |
| Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposit rates are made for verifying periods of between one day to three months, depending on the immediate cash requirements of the company and earn interest at the respective short term deposit rates. | | |
| 10 Other Current Financial Assets (Unsecured, considered good unless otherwise stated) | | |
| Security deposits | 3,23,931 | 3,23,931 |
| Balances with Government Authorities | 10,65,858 | 36,78,481 |
| Export Incentive Receivable | - | - |
| Subsidy Receivable | - | - |
| Loans to Employees | 11,40,200 | 30,200 |
| Interest accrued on Fixed Deposits | - | - |
| Other assets (includes other receivables, etc.) | 41,00,533 | 1,50,67,467 |
| Total | <u>66,30,522</u> | <u>1,91,00,079</u> |
| 11 Other Current Assets | | |
| Deferred borrowing cost | - | - |
| Prepaid expenses | 1,571 | 917 |
| | <u>1,571</u> | <u>917</u> |
| 12 Equity Share Capital | | |
| Authorised | | |
| 70,00,000 (31 st March, 2019: 70,00,000) Equity Shares of ₹ 10/- each | 7,00,00,000 | 7,00,00,000 |
| Issued, Subscribed and Fully Paid-up Equity Shares | | |
| 65,11,800 (31 st March, 2019 - 65,11,800) Equity Shares of ₹ 10/- each | 6,51,18,000 | 6,51,18,000 |
| Total Issued, Subscribed and Fully Paid-up Equity Share Capital | <u>6,51,18,000</u> | <u>6,51,18,000</u> |

a. Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Period

| Equity Shares | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|--|------------------------------------|-------------|------------------------------------|-------------|
| | No. of shares | Amount (₹) | No. of shares | Amount (₹) |
| Outstanding at the beginning of the period | 65,11,800 | 6,51,18,000 | 65,11,800 | 6,51,18,000 |
| Add: Issued shares during the year | - | - | - | - |
| Outstanding at the end of the period | 65,11,800 | 6,51,18,000 | 65,11,800 | 6,51,18,000 |

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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c. Details of shareholders holding more than 5% shares in the Company.

| Equity Shares of ₹ 10 each fully paid | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|---------------------------------------|------------------------------------|------------------------|------------------------------------|------------------------|
| | No. of shares | % holding in the class | No. of shares | % holding in the class |
| Name of the Shareholder | | | | |
| Patel Ankit Jayantilal | 472565 | 7.26% | 472565 | 7.26% |
| Payalben Jayantilal Patel | 367834 | 5.65% | 367834 | 5.65% |
| Jayantilal S. Patel | 329480 | 5.06% | 329480 | 5.06% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares

| Particulars | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
|---|-----------------------------------|-----------------------------------|
| 13 Other Equity | | |
| General Reserve | | |
| Balance as per the last financial statements | 90,96,527 | 90,96,527 |
| Add: Amount transferred from surplus balance in the statement of P&L | - | - |
| | 90,96,527 | 90,96,527 |
| Securities Premium Account | | |
| Balance as per the last financial statements | - | - |
| Other Comprehensive Income | | |
| Balance as per last financial statements | - | - |
| Revaluation of Land. | - | - |
| Remeasurement of Employee Benefit | - | - |
| Add/(Less) OCI for the year | - | - |
| Closing Balance | - | - |
| Surplus in the Statement of Profit & Loss | | |
| Balance as per last financial statements | (8,92,83,544) | (9,90,60,253) |
| Profit for the year | 24,27,422 | 97,76,710 |
| IND AS Adjustments | - | - |
| OCI for the year | - | - |
| Closing Balance | (8,68,56,122) | (8,92,83,544) |
| Total Other Equity | (7,77,59,595) | (8,01,87,017) |
| 14 Non-current Borrowings | | |
| Term Loan | | |
| From Bank - Secured | - | - |
| Other Loans | | |
| Loans from directors (unsecured) | - | - |
| Inter Corporate Loans (unsecured) | - | 3,42,82,308 |
| | - | 3,42,82,308 |
| The above amount includes | | |
| Amount disclosed under the head "Other Current Financial Liabilities" | - | 3,42,82,308 |
| | - | 3,42,82,308 |
| 15 Non-current Provisions | | |
| (a) Provision for Employee Benefits | | |
| Compensated Absences | - | - |
| Gratuity | - | - |
| Total | - | - |



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| Particulars | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
|---|--------------------------------------|--------------------------------------|
| 16 Income tax | | |
| A. Income tax recognised in Statement of Profit or Loss: | | |
| Current Tax: | | |
| Current tax | 2,45,000 | 10,00,000 |
| Tax in respect of earlier year (Excess I.T. Provision) | (1,99,576) | (7,50,000) |
| Total Current Tax | 45,424 | 2,50,000 |
| Deferred Tax: | | |
| Deferred tax | - | - |
| MAT credit entitlement | - | - |
| Total deferred tax | - | - |
| Total tax expense/(benefit) | 45,424 | 2,50,000 |
| B. A reconciliation of income tax expense applicable to accounting profit/ (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows: | | |
| Profit/ (loss) before tax | - | - |
| Enacted tax rate in India (Normal rate) | - | - |
| Expected income tax expense/ (benefit) at statutory tax rate | - | - |
| Expenses disallowed for tax purposes | - | - |
| Income exempt from tax | - | - |
| Tax pertaining to prior years | - | - |
| Other adjustments | - | - |
| Tax expense for the year | - | - |
| 17 Current Borrowings | | |
| From Bank - Secured | | |
| Cash credit from Sarvodya Commercial Co-op. Bank Ltd. A/c. 114 | 6,16,12,927 | 6,50,30,489 |
| Unsecured | | |
| Inter Corporate Loans | - | - |
| | 6,16,12,927 | 6,50,30,489 |
| Cash Credit Loan are secured by way of mortgagat of Factory Land and Building and Equitable mortgage for lease hold land & factory building situted at Plot No. 392 to 403, G.I.D.C. Phase -II, Dediyaasan, Mehsana -384002. Gujarat. The cash credit is repayable on demand.(Also guarenteed by all Dirctor of the company) | | |
| 18 Trade and other payables | | |
| Trade payables | 16,53,713 | - |
| Micro, Small & Medium Enterprises | - | - |
| | 16,53,713 | - |
| 19 Other Financial Liabilities (Current) | | |
| Current maturities of long-term borrowings (Secured) (Refer Note No. 16) | - | - |
| Statutory Liabilities | 3,45,948 | 11,89,294 |
| Interest accrued | - | - |
| Other Liability | - | - |
| Total other financial liabilities | 3,45,948 | 11,89,294 |

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| Particulars | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
|---|--------------------------------------|--------------------------------------|
| 20 Other Current Liabilities | | |
| Advance from Customers | 4,61,31,479 | 2,59,81,479 |
| Payables for other than raw material | 7,22,573 | 5,22,362 |
| | <u>4,68,54,052</u> | <u>2,65,03,841</u> |
| 21 Current Provisions | | |
| (a) Provision for Employee Benefits | | |
| Compensated Absences | - | - |
| Gratuity. | - | - |
| Sub-Total (a) | - | - |
| (b) Other Provisions | | |
| Provision for Litigations. | - | - |
| Others (Income Tax) | - | - |
| Sub-Total (b) | - | - |
| Total (a + b) | - | - |
| 22 Liabilities for Current Tax (Net) | | |
| Tax Provision | 2,45,000 | 10,00,000 |
| | <u>2,45,000</u> | <u>10,00,000</u> |
| | For the year ended | |
| | 31 st March, 2020 ₹ | 31 st March, 2019 ₹ |
| 23. REVENUE FROM OPERATIONS | | |
| A Sale of Products (Taxable) | 15,99,59,600 | 3,09,57,050 |
| Sale of Products (High Seas Sales) | - | 27,58,23,454 |
| Godown Rent. | 48,09,384 | 50,35,376 |
| Commission Income | - | 33,28,690 |
| Revenue from operations | | |
| Total | <u>16,47,68,984</u> | <u>31,51,44,570</u> |
| 24 Other income | | |
| Profit on Sale of Fixed Assets (Net) | - | 1,16,929 |
| Interest Income. | 96,815 | 22,442 |
| Dividend Income | 8,291 | 4,12,538 |
| Duty Drawback Receivable | - | - |
| Interest Received on FDR | 53,453 | 38,722 |
| Interest Received on I.T.Refund | 7,75,660 | 2,36,200 |
| Other Income Receivd | - | 5,818 |
| | <u>9,34,218</u> | <u>8,32,649</u> |
| 25 Cost of Materials Consumed | | |
| i) Raw Materials | | |
| Inventory at the beginning of the year | - | - |
| Add: Purchases | - | - |
| Less: Inventory at the end of the year | - | - |
| Total Cost of Raw Material Consumed | - | - |
| 26 Purchase of traded goods | | |
| Purchase of Stock-in trade- Gypsum (Taxable) | 15,36,58,200 | 2,84,55,850 |
| Purchase of Stock-in trade- Gypsum.(High Seas Purchase) | - | 26,48,24,635 |
| Clearing & Forwarding Charges | - | - |
| | <u>15,36,58,200</u> | <u>29,32,80,485</u> |



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| | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2020 | 31 st March, 2019 |
| | ₹ | ₹ |
| 27 Changes in inventories of finished goods, Stock-in -Trade and work-in- progress Inventories at the Closing of the year | | |
| Work-in-Progress | - | - |
| Finished Goods | - | - |
| Waste | - | - |
| Sub Total (i) | <u>-</u> | <u>-</u> |
| Inventories at the Beginning of the year | | |
| Work-in-Progress | - | - |
| Finished Goods | - | - |
| Waste | - | - |
| Sub Total (ii) | <u>-</u> | <u>-</u> |
| Sub Total (ii-i) | <u>-</u> | <u>-</u> |
| 28 Excise duty on sale of goods | | |
| Excise duty | - | - |
| | <u>-</u> | <u>-</u> |
| 29 Employee Benefit Expenses | | |
| Salaries, wages and bonus | 8,87,300 | 8,03,300 |
| Contribution to provident fund | - | - |
| Gratuity expense (refer note 45) | - | - |
| Staff welfare expenses | - | - |
| | <u>8,87,300</u> | <u>8,03,300</u> |
| 30 Finance costs | | |
| a. Interest Expenses | | |
| Working capital loan (Cash Credit) | 62,57,901 | 46,54,314 |
| Interest on other borrowing. | - | 47,79,772 |
| b. Other Borrowing costs | | |
| Bank & other charges | 35,010 | 1,743 |
| | <u>62,92,911</u> | <u>94,35,829</u> |

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| | For the year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2020 | 31 st March, 2019 |
| | ₹ | ₹ |
| 31 Other Expenses | | |
| Advertisement Expenses | 27,360 | 28,818 |
| Audit Fees | 75,000 | 75,000 |
| Statutory Audit Fee. | 50,000 | 50,000 |
| Building Repairing | 5,787 | 18,250 |
| Consultant Expenses. | 2,44,000 | 2,66,000 |
| Computer Expenses | 500 | - |
| G.I.D.C. Services Charges. | 12,020 | 11,162 |
| Diesel /Petrol Exp. | 50,850 | 43,100 |
| Electrical Expenses (Electricity Bill) | 95,508 | 99,901 |
| Other Electric Expenses. | 1,15,076 | - |
| Othe Interest (TDS) | 20 | - |
| Filing expenses | 600 | 16,150 |
| FBT Written Off. | 1,35,690 | - |
| G.I.D.C. Association Services Charges. | 21,180 | 21,180 |
| Insurance | 6,606 | 3,321 |
| Kasar/Vatav. | 3,834 | (21,019) |
| Legal and Consultancy charges | 1,30,162 | 63,165 |
| Listing Fees | 3,00,000 | 2,50,000 |
| Loan Processing Charges. | - | 84,746 |
| Office Expnses. | 15,187 | 21,055 |
| Postage expenses | 10,330 | 2,290 |
| Professional Tax | 2,400 | 2,400 |
| Previous Year Expenses. | - | 43,127 |
| Security Expenses. | 1,13,017 | 1,05,530 |
| Stamp Expenses | - | 4,20,300 |
| Stationery And Printing | 28,275 | 42,930 |
| Tea & Water Expenses. | 30,400 | 22,540 |
| Telephone Expenses | 3,414 | 8,239 |
| Travelling Expenses | 32,538 | 85,728 |
| Travelling Expenses - Director. | 2,04,156 | - |
| Valuation Expenses. | - | 10,000 |
| Water Charges | 19,800 | 19,200 |
| Website Expenses. | 17,149 | - |
| | 17,50,859 | 17,93,113 |

32 Earnings per Share (EPS) as per Indian Accounting Standard 33:

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year . Diluted EPS amount are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | For the year ended | |
|---|------------------------------|------------------------------|
| | 31 st March, 2020 | 31 st March, 2019 |
| | ₹ | ₹ |
| Net Profit as per Statement of Profit & Loss | 24,27,422 | 97,76,710 |
| No.of weighted average outstanding Equity Shares | 65,11,800 | 65,11,800 |
| Earning per Equity Share of ₹ 10/- each (Basic & Diluted) | 0.37 | 1.50 |

33. CONTINGENT LIABILITIES

| | <u>2019-20 (₹)</u> | <u>2018-19 (₹)</u> |
|--|--------------------|--------------------|
| Contingent Liability (Bank Guarantee) | NIL | NIL |



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34. During the year the company has incurred cash profit of Rs.31.14 Lakh and at the end of the year negative net worth of the company is Rs. 126.41 Lakh and the accounts are prepared on Going Concern basis. As per the information and explanations given to us, the company is taking positive steps to move further for survival and development.

35. MICRO AND SMALL SCALE BUSINESS ENTERPRISES

The management has initiated the process of identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosure requirement here under is not furnished.

36. Balance conformations in respect of debtors, creditors and loan & Advance granted / taken are subject to confirmation and reconciliation.

37. SEGMENT REPORTING POLICIES

Business Segment

The company has discontinued the running business, but earned income from trading, interest income from advance given as such segment reporting policy not considered in the year under consideration.

38. As per Information and explanation given to us the company has set off the deferred tax liability against the deferred tax assets and net result of deferred tax assets have not been recognized since there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and as such not accounted in Books of Accounts.

| | As at 31-03-2020 (₹) | As at 31-03-2019 (₹) |
|--|---------------------------------|---------------------------------|
| Deferred Tax Liability | | |
| Related to Fixed Assets | (1,82,74,326) | (1,88,91,975) |
| Deferred Tax Assets | | |
| Carried Forward Loss allowable for tax purposes in the following years | 3,48,91,200 | 5,87,42,749 |
| Disallowance under the Income Tax Act 1961 | 1,66,16,874 | 3,98,50,774 |
| Net Deferred Tax Assets (Liability) | <u>41,54,219</u> | <u>99,62,694</u> |
| | 31-03-2020 (₹) | 31-03-2019 (₹) |
| 39. MANAGERIAL REMUNERATION | | |
| Paid to Director | 0.00 | 0.00 |
| Paid to CEO/CFO/CS | 7,82,000 | 6,99,500 |
| Total | <u>7,82,000</u> | <u>6,99,500</u> |
| 40. AUDITORS' REMUNERATION AND STATUTORY FEES. | | |
| For Audit and Tax Audit Fees | 1,25,000 | 1,25,000 |
| TOTAL | <u>1,25,000</u> | <u>1,25,000</u> |
| 41. SEGMENT REPORTING | | |
| Geographical Segment is identified as the secondary segment and details are given below: | | |
| Domestic Sales & Services (Net) | 16,47,68,984 | 31,51,44,570 |
| Export Sales | 0.00 | 0.00 |
| Total | <u>16,47,68,984</u> | <u>31,51,44,570</u> |
| 42. DONATION TO POLITICAL PARTIES | | |
| | <u>Nil</u> | <u>Nil</u> |
| TOTAL | <u>Nil</u> | <u>Nil</u> |

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43. EARNING PER SHARE

| | | |
|---|-----------|-----------|
| Profit attributable to the Equity Shareholders | 24,27,422 | 97,76,710 |
| Weighted average number of Equity shares of ₹ 10/- each fully paid up outstanding during the year | 65,11,800 | 65,11,800 |
| Basic / Diluted earning per share of ₹ 10/- each fully paid up | 0.37 | 1.50 |

44. CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS

| Particulars | 2019 – 20 | | 2018 – 19 | |
|-------------|------------|-----|------------|-----|
| | Amount (₹) | % | Amount (₹) | % |
| Indigenous | Nil | Nil | Nil | Nil |
| Imported | Nil | Nil | Nil | Nil |

45. CONSUMPTION OF IMPORTED & INDIGENOUS STORES & SPARES

| Particulars | 2019 – 20 | | 2018 – 19 | |
|-------------|------------|-----|-----------|-----|
| | Amount (₹) | % | (₹) | % |
| Indigenous | Nil | Nil | Nil | Nil |
| Imported | Nil | Nil | Nil | Nil |

46. EARNINGS / EXPENDITURE IN FOREIGN CURRENCY

| | 2019-20 (₹) | 2018-19 (₹) |
|---------------------------------|-------------|-------------|
| FOB Value of Exports | Nil | Nil |
| Expenditure in foreign Currency | Nil | Nil |

47. CIF VALUE OF IMPORTS

| | | |
|----------------------|-----|-----|
| CIF Value of Imports | Nil | Nil |
|----------------------|-----|-----|

48. RELATED PARTY DISCLOSURES

A. List of related parties with whom transactions have taken place during the year

| I. | Name of the related parties | Short name | Nature of the relationship |
|-----|-----------------------------|------------|----------------------------|
| | Prabhu Steel Corporation. | PSC | Relative |
| | Prabhu Ispat Pvt. Limited | PIPL | Relative |
| II. | Key Managerial Personnel: | | |
| | Mr. Miteshkumar A. Patel | | Chairman |
| | Ms. Nikitabhen J. Patel | | Managing Director |
| | Mr. Ankitbhai J. Patel | | Director |
| | Ms. Payalben J. Patel | | Director |
| | Mr. Ravikumar L. Patel | | Director |
| | Mr. Akashbhai D. Patel | | Director |
| | Mr. Vipul F. Bhavsar | | CFO |
| | Mr. Parth Thakkar | | CS |



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B. Transactions with related parties

(In ₹)

| Particulars | | PSC | PIPL | KMP |
|---|--------------------------------------|--------|------------------|--------------------|
| Sales Service and other income | Current Year Previous Year | - - | - - | - - |
| Advance received. | Current Year Previous Year | - - | 4,60,00,000 - | - - |
| Purchase of raw Material and Components and Services | Current Year Previous Year | - - | - - | - - |
| Interest and other expenditure | Current Year Previous Year | - - | - 3428120 | - - |
| Interoperate Deposits Placed/ (Received) net amount and Other | Current Year Previous Year | - - | - - | - - |
| Interest income | Current Year Previous Year | - - | - - | - - |
| Salary Commission On profit | Current Year Previous Year | - - | - - | 7,82,000 699500 |
| Advance Paid | Current Year Previous Year | - - | - - | 11,00,000 - |
| Purchase of capital assets | Current Year Previous Year | - - | - - | - - |
| Share Purchase / Sales | Current Year Previous Year | - - | - - | - - |
| Due to Company | Current Year Previous Year | - - | - - | - - |
| Payable by Company | Current Year Previous Year | - - | - 34282308 | - - |

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification disclosure.

As per our report of even date

For B.M. Modi & Co.
Chartered Accountants
Firm registration number: 0106477W
(B.M. Modi)
Proprietor
M.No. : 034060
UDIN : 20034060AAAAADN3993
Place : Mehsana
Date : 21/07/2020

For and on behalf of the Board of Director

Nikitaben J. Patel
(Managing Director)
DIN : 03092770

Vipul F. Bhavsar
[Chief financial officer]

Place : Ahmedabad
Date : 21/07/2020

Ankitbhai J. Patel
(Director)
DIN : 02351167

Parth B. Thakkar
[Company Secretary & Compliance Officer]
ACS - 56974

E-COMMUNICATION REGISTRATION FORM
(Only for members holding shares in physical form)

Date:

To,
Link Intime India Private Limited,
506-508, Amarnath Business Centre-1 (ABC-1),
Besides Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road, Ahmedabad 380 006

UNIT – PROMACT IMPEX LIMITED (Formerly known as Promact Plastics Limited)

Dear Sir,

Sub: Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company.

| | |
|--|--|
| Folio No.: | |
| E-mail ID: | |
| Name of the First / Sole Shareholder: | |
| Signature: | |

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.

Enclosures: Self attested copy of PAN and Address proof.

PROMACT IMPEX LIMITED
(Formerly known as Promact Plastics Limited)
Regd. Office : 106, Harikrupa Chambers,
Behind National Chambers, Ashram Road,
Ahmedabad - 380 009.