



CIN No. L18101PB1993PLC013193

PACT INDUSTRIES LTD.

www.pactindustries.in

Date: 31.08.2023

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|---|---|
| To The Listing Department, Bombay Stock Exchange Limited 25th Floor, P.J. Towers, Dalal Street, Fort Mumbai- 400 001 Scrip Code No. 538963 | To The General Manager-Operations, Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th Floor, Plot No C62. Opp. Trident Hotel, Bandra Kurla Complex, Bandra E Mumbai-400098 |
|---|---|

PACT | 538963 | INE494K01024

Sub: Intimation of Submission of Annual Report FY 2022-23

Dear Sir,

The company is submitting herewith the **Annual Report for the FY 2022-23** along with the approved Notice for the Annual General Meeting to be held on **28th September, 2023, Thursday at 02:00 P.M.** at the Registered Office of the Company at 303, Hotel The Taksons, opp. Railway Station, G. T. Road, Ludhiana.

This is for your information please.
Thanking You,

Sincerely Yours
For PACT INDUSTRIES LIMITED

HARPREET SINGH
(MANAGING DIRECTOR)
(DIN: 00570541)



PACT INDUSTRIES LIMITED

30th ANNUAL REPORT
2022-2023



www.pactindustries.in



CORPORATE INFORMATION

| | |
|---|---|
| BOARD OF DIRECTORS | BANKERS |
| Mr. Harpreet Singh - Managing Director | State Bank of India |
| Mr. Sanjay Jain - Chief Financial Officer | Overseas Branch, Ludhiana. |
| Mr. Sunil Rana – Independent Director (Resigned w.e.f. 30.12.2022) | REGISTERED OFFICE 303, Hotel The Taksonz, |
| Ms. Sushneet Kaur – Additional (Non-executive, Independent Director) w.e.f. 28.01.2023 | Opp. Railway Station, |
| Mrs. Jasjeet Kaur – Independent Director | |
| Mr. Eshaan Takkar – Non-Executive Director (resigned w.e.f. 21.02.2023) (Appointed w.e.f. 23.05.2023) | Ludhiana-141008. |
| Mrs. Tanupreet Kaur – Additional (Non- Executive) Director (Appointed w.e.f. 21.02.2023) (Resigned w.e.f. 23.05.2023) | GENERAL INFORMATION |
| COMPANY SECRETARY | Company’s Corporate Identification Number (CIN): L18101PB1993PLC013193 Company’s Shares are Listed at BSE and MSEI. |
| Sharon Arora ((Resigned w.e.f. 30.03.2023) | |
| STATUTORY AUDITORS | REGISTRAR & SHARE TRANSFER AGENT |
| M/s. Parmod G Gupta & Associates, Chartered Accountants Unique Tower, 3 rd Floor, Adjoining Corporation Bank, Ludhiana – 141002. | Skyline Financial Services Private Limited D-153 A, 1 st Floor, Okhla Industrial, Area, Phase-I, New Delhi-110020. Tel: 011- 64732681-88 Web: www.skylinerta.com |
| SECRETARIAL AUDITORS | CONTENTS |
| M/s. Bhambri & Associates, Company Secretaries SCO #9, 2 nd Floor, Jandu Towers, Miller Ganj, Ludhiana – 141003. | OVERVIEW |
| | Corporate Information |
| 30th ANNUAL GENERAL MEETING | STATUTORY REPORTS |
| Day: THURSDAY | Notice |
| | Directors’ Report |
| | Management Discussion & Analysis |
| Date: 28 th September, 2023 | Corporate Governance Report |
| Time: 02:00 P.M. | FINANCIAL STATEMENTS |
| Place: 303, Hotel The Taksonz, Opp. | Independent Auditor’s Report |
| Railway Station, Ludhiana-141008. | Balance Sheet |
| | Statement of Profit & Loss |
| | Cash Flow Statement |



NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Thursday, the 28th Day of September, 2023 at 02:00 P.M. at the Registered Office of the company situated at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2023 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To appoint Mr. Harpreet Singh (DIN: 00570541) who retires by rotation and being eligible offers himself for re-appointment.
3. Reappointment of Statutory Auditor for the Second Term.

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

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, consent of the members be and is hereby given to re-appoint **M/s. Parmod G Gupta & Associates**, Chartered Accountants, as the Statutory Auditors of the Company commencing from the Conclusion of the Annual General Meeting for the Financial Year 2022-2023 till the conclusion of Annual General Meeting of the Company to be held in the Financial Year 2027-2028 i.e. till 35th Annual General Meeting at such remuneration as may be agreed upon by the Board of Directors and the Auditors.”

SPECIAL BUSINESS

4. Approve Related Party Transaction:

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

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be accorded to the Board of Directors of the Company to enter into contracts and/or agreements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of



property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary or associates Company or any other transactions of whatever nature with related parties.

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

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

5. Regularisation of Appointment of Ms. Sushneet Kaur as an Non-executive, Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Ms. Sushneet Kaur (DIN: 09852985), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 28.01.2023 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the ensuing Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment , be and hereby appointed as an Non-Executive Independent Director of the Company to hold the office for five (5) consecutive years w.e.f. 28.01.2023.

RESOLVED FURTHER THAT Mr. Harpreet Singh, Managing Director of the Company be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing



of necessary E-form with the Registrar of Companies.”

6. Regularisation of Appointment of Mr. Eshaan Singh Takkar as a Non-Executive Director of the Company:

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

“**RESOLVED THAT** pursuant to the applicable provisions of Section 149 , 152 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and rules therein (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, if applicable, Mr. Eshaan Singh Takkar (DIN: 07194501), who was appointed as an Additional Director (Non-Executive Director) of the Company w.e.f. 21.05.2023 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director be and is hereby appointed as an Non-Executive Director of the Company w.e.f. 21.05.2023.

RESOLVED FURTHER THAT Mr. Harpreet Singh, Managing Director of the Company be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies.”

Date: 31.08.2023

Place: Ludhiana

By the Order of the Board
For Pact Industries Limited

Sd/-

(Managing Director)

Harpreet Singh
DIN: 00570541

Sd/-

(Non-Executive Director)

Eshaan Singh Takkar
DIN: 07194501



NOTES:

- i) A member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Skyline Financial services Limited.
- v) The Register of Members and the Share Transfer Book of the company will remain closed from 22nd September, 2023 to 28th September, 2023 (both days inclusive).**
- vi) In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Member whose email are not registered shall receive the copy of the Notice along with the hard copy of statement containing the salient features of all the documents. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website: <http://www.pactindustries.in>, **website of the Stock Exchange , i.e., BSE Limited at www.bseindia.com and MSEI at <https://www.msei.in/>**. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.
- vii) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- viii) Mr. Ansh Bhambri, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- ix) The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days from the conclusion of AGM. The Results declared along with the Scrutinizer’s



report shall be placed on Company's website of CDSL and will be communicated to the stock exchanges.

x) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means.

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

a) The **voting period begins on Monday, 25th September, 2023 at 9:00 A.M and ends on Wednesday, 27th September 2023 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) Shareholders who have already voted prior to the meeting date through e-voting would not be entitled to vote at the meeting value.

c) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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



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

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



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

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

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

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

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

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



- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

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

- f) After entering these details appropriately, click on “SUBMIT” tab.
- g) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN for the relevant <230831011><**PACT INDUSTRIES LIMITED**> on which you choose to vote.
- j) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- l) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- m) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



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

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

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

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

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



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

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Date: 31.08.2023
Place: Ludhiana

By the Order of the Board
For Pact Industries Limited.

Sd/-

Sd/-

(Managing Director)
Harpreet Singh
DIN: 00570541

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



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

ITEM NO: 4

To Approve Related Party Transaction:

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

Audit Committee In its meeting held on **14.02.2023** provided the approval for the transaction mentioned below and recommended the board of director of the same. Board of Director also approved the same in its meeting held on **14.02.2023** subject to approval of shareholder.

The proposal outlined above is in the interest of the Company and the Board recommends the resolution set out in the accompanying Notice as **Special Resolution**.

| Name of Related Party | Name of Directors/ KMP who is related | Tenure | Particulars of the Contract and relevant information | Yearly Monetary Value (In Rs.) |
|---|---|--------|--|--------------------------------|
| Kartarz Alloys P.Ltd. | Mr. Harpreet Singh Mr. Eshaan Singh Takkar | 1 year | Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property goods, material or services | 40 Crore |
| Preet Builders Pvt. Ltd. and its unit Preet Steel | Mr. Harpreet Singh | 1 year | Sale, purchase or supply of goods, material or services including Job work and Lease of immovable property goods, material or services | 40 Crore |
| Pact Automobiles | Firm | 1 year | Lease Rent payment to firm | 2 lakhs p.a. |
| Tanupreet kaur | Wife of MD | 1 year | Loan from Director's relative | Upto 2 crores |
| Parav Singh Takkar | Son of MD | 1 year | Loan from Director's relative | Upto 2 crores |
| Parav Singh Takkar | Son of MD | 1 year | Salary | Upto 12 lakhs p.a. |

ITEM NO: 5

Regularisation of Appointment of Ms. Sushneet Kaur as an Additional (Non-executive, Independent Director) of the Company:



Ms. Sushneet Kaur (DIN: 09852985), was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 28.01.2023.

In terms of Section 161(1) of the Companies Act, 2013, she holds office up to the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act.

Being eligible for appointment for a period of five years w.e.f. 28.01.2023, the Board recommends the resolution to be passed as an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Sushneet Kaur herself, is in any way concerned or interested, in the said resolution.

ITEM NO: 6

Mr. Eshaan Singh Takkar (DIN: 07194501) was appointed as an Additional Director (Non-Executive) w.e.f. 21.05.2023, in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Eshaan Singh Takkar as Non-Executive Director is desirable and would be beneficial to the Company and hence it recommends the said resolution for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives, except Mr. Mr. Eshaan Singh Takkar himself, Mr. Harpreet Singh is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an Ordinary Resolution.

Date: 31.08.2023
Place: Ludhiana

By the Order of the Board
For Pact Industries Limited.

Sd/-

Sd/-

(Managing Director)
Harpreet Singh
DIN: 00570541

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

**BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS****The Members,**

PACT INDUSTRIES LIMITED,
Ludhiana.

Your directors feel pleasure in presenting the 30th Annual Report together with Audited Annual Accounts of Pact Industries Limited for the year ended 31st March, 2023.

FINANCIAL RESULTS:

The summary of the financial performance of the Company for the financial year ended March 31, 2023 compared to the previous year ended March 31, 2022 is given below:

| Particulars | (in lakh) | |
|--|---|---|
| | Financial Year ended 31 st March, 2023 | Financial Year ended 31 st March, 2022 |
| Revenue from Operations and Other Income (Total Revenues) | 2294.38 | 2830.09 |
| PBT before exceptional items | 79.48 | 9.44 |
| Exceptional items | 0 | 0 |
| Profit before Tax (PBT) | 79.48 | 9.44 |
| Provision for Tax- Current | 0 | 1.53 |
| Provision for Tax- Deferred | 23.05 | 2.52 |
| Profit after Tax | 102.53 | 5.39 |
| Earnings Per Share (EPS) (in Rs) (after exceptional item) | | |
| - Basic | 0.19 | 0.01 |
| - Diluted | 0.19 | 0.01 |

1. STATE OF COMPANY'S AFFAIRS:

Total Revenue from Operation for the year is Rs. 2294.38 Lakhs as compared to Rs. 2830.09 Lakhs of previous year. The Net Profit for the year ended 31.03.2023 is Rs. 102.53 Lakhs as compare to Net Profit of Rs. 5.39 Lakhs for the previous year.

2. TRANSFER TO RESERVE:

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

3. DIVIDEND:

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

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN



THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No Material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date on which this report has been signed except that the credit facility becomes NPA as declared by the bank but the company is not declared as willful defaulter by any bank or financial institutions or other lenders.

6. CHANGE IN THE NATURE OF BUSINESS:

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

7. SHARE CAPITAL:

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

7.1 BUY BACK OF SECURITIES:

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

7.2 SWEAT EQUITY:

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

7.3 BONUS SHARES:

No Bonus Shares were issued during the year under review.

7.4 EMPLOYEES STOCK OPTION PLAN:

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

8. FINANCE:

8.1 CASH AND CASH EQUIVALENT:

Cash and Cash equivalent as at 31st March, 2023 is Rs. 20.09 Lakh. The Company continues to focus on judicious management of working capital. Working Capital parameters are kept under strict check through continuous monitoring.

8.2 DEPOSITS/ FIXED DEPOSITS:

During the year, Company has not accepted deposit from the public falling within the ambit of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not repaid any deposit to public and there are no deposits pending as on 31st March, 2023.

9.3 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

9. BOARD:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and



geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

The changes in the Board of Directors of the Company during the Financial Year i.e. 01st April, 2022 to 31st March, 2023 are as follows:

1. Resignation of Mr. Sunil Rana (Independent Director) w.e.f. 30.12.2022
2. Appointment of Ms. Sushneet Kaur (Independent Director) w.e.f. 28.01.2023
3. Resignation of Mr. Eshaan Singh Takkar (Non-executive Director) w.e.f. 21.02.2023
4. Appointment of Mrs. Tanupreet Kaur as an Additional Non Executive Director w.e.f. 21.02.2023

The independent director Mrs Jasjeet Kaur has been exempted from passing the proficiency test of the IICA and Mrs. Sushneet Kaur is yet to clear the proficiency test of the IICA.

9.1 KEY MANAGERIAL PERSONNEL (KMP):

During the Financial Year 2022-23, Ms. Sharon Arora had resigned on 30.03.2023.

9.2 NO. OF MEETINGS OF THE BOARD:

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

Details of the Meeting:-

| <u>Sr. No.</u> | <u>Date of Meeting</u> |
|-----------------------|-------------------------------|
| 1. | 30/05/2022 |
| 2. | 13/08/2022 |
| 3. | 31/08/2022 |
| 4. | 14/11/2022 |
| 5. | 30/12/2022 |
| 6. | 28/01/2023 |
| 7. | 14/02/2023 |
| 8. | 21/02/2023 |

The provisions of Companies Act, 2013 and Listing Regulations and SEBI (Listing Obligations and Disclosure) Regulation, 2015 were adhered to while considering the time gap between two meetings.

10. COMMITTEES OF BOARD:

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

11. REMUNERATION POLICY AND BOARD EVALUATION:

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

Independent directors in their meeting held on 14.02.2023, evaluated the performance of the non independent director of the board including Managing Director. The minutes



of the meeting were placed before the board and board affirmed the same. The Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually.

The details regarding process and criteria for evaluation are given in the Report on Corporate Governance, which forms a part of this Report. The details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014 is enclosed herewith as 'Annexure - A'

12. DECLARATION BY INDEPENDENT DIRECTORS:

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

13. CODE OF CONDUCT COMPLIANCE:

The declaration signed by the Managing Director affirming compliance with the Code of Conduct by Directors and Senior Management, for the financial year ended March 31, 2023 is given in Report on Corporate Governance, which forms a part of this Report.

14. TRAINING OF INDEPENDENT DIRECTORS:

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2023 the applicable Accounting Standards have been followed along with proper explanation relating to material departures if any;

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

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

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

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



f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. AUDITORS:

16.1 STATUTORY AUDITORS:

At the Annual General Meeting M/s Parmod G Gupta & Associates, Chartered Accountants, (Firm Registration No. 018870N) was appointed as a Statutory Auditor of the Company to hold the office till the conclusion of Annual General Meeting for the Financial Year 2022-23.

Accordingly the re-appointment of M/s Parmod G Gupta & Associates, Chartered Accountants, as statutory auditors of the Company, was approved for a period of five years i.e. till the Annual General Meeting to be held in 2028, by the Audit committee and the Board. They have confirmed their eligibility to the effect that their re-appointment if made would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The auditors have not reported any fraud in its reports.

16.2 SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Bhambri & Associates (C.P No. 22626) was appointed as Secretarial Auditor of the Company for the Financial Year 2022-2023. The Secretarial Audit Report is annexed herewith as 'Annexure – B'.

The Board of Directors of the Company has appointed M/s Bhambri & Associates, Company Secretaries to undertake the secretarial audit of the company for the Financial Year 2023-2024 and onwards.

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

1. *The Company had not published the Financial Results in the newspaper for quarter ended 30.06.2022, 30.09.2022, 31.12.2022 and 31.03.2023 and also had not published the Notice of AGM in the newspaper.*
2. *The Company has not paid the Annual listing fee to the exchanges.*
3. *The Company has not sent notices of the Annual General Meeting to the Members of the company along with annual report.*
4. *The disclosure of the Accounts of the Company to be NPA by the Bank.*
5. *The Company has not filed various e-forms with MCA / ROC.*
6. *The Company has not maintained the website as per BSE circular under regulation 46.*
7. *The Company has not updated the website on a regular basis.*
8. *The Company has not implemented structural digital database requirement as per regulation 3(5) and (6) of SEBI (PIT) Regulations 2015.*
9. *The following compliances were delayed by the company during the financial year and the penalty for which is also pending to be paid to the stock exchanges.*

| Sr no | Regulation | Quarter ended | Remarks |
|-------|------------------------------------|----------------|----------------|
| 1 | Regulation 31 Shareholding Pattern | September 2022 | Delayed filing |
| 2 | Regulation 31 Shareholding Pattern | December 2022 | Delayed filing |
| 3 | Regulation 31 Shareholding Pattern | March 2023 | Delayed filing |



| | | | |
|----|--|----------------|----------------|
| 4 | Regulation 76 Reconciliation of share capital | September 2022 | Delayed filing |
| 5 | Regulation 76 Reconciliation of share capital | December 2022 | Delayed filing |
| 6 | Regulation 76 Reconciliation of share capital | March 2023 | Delayed filing |
| 7 | 7(3) | March 2023 | Delayed filing |
| 8 | 40(9) | March 2023 | Delayed filing |
| 9 | SDD compliance Certificate | March 2023 | Non-filing |
| 10 | Regulation 30 Appointment of Mrs Sushneet Kaur on 28.01.2023 | 28.01.2023 | Non-filing |
| 11 | Regulation 30 Resignation of Mrs Tanupreet kaur on 21.05.2023 | 21.05.2023 | Non-filing |
| 12 | Regulation 30 Appointment of Mr Eshaan Singh Takkar on 21.05.2023 | 21.05.2023 | Non-filing |

Explanation / Comment from the Board:

1. The Company is of the opinion that the information is already being shared on all possible channels.
2. The company has asked for delisting of securities from MSEI, however MSEI has not taken any steps for the same.
3. There was a delay was due to reconciliation of payment of depository, which was resolved thereafter.
4. The disclosure was not made due to no compliance officer in the Company during the period
5. The disclosure was not made due to no compliance officer in the Company during the period
6. The website maintenance could not be followed being a small scale company.
7. The website maintenance could not be followed being a small scale company.
8. The Company is a small company in size of operations and lately the Company has been in losses and cannot afford any liabilities and manpower.
The MD has stated that the Company being a small company, in losses is unable to opt for the software required with a database.
9. The explanations are as under

| Sr no | Regulation | Quarter ended | Explanation by the Board |
|-------|---|----------------|---|
| 1 | Regulation 31 Shareholding Pattern | September 2022 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 2 | Regulation 31 Shareholding Pattern | December 2022 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 3 | Regulation 31 Shareholding Pattern | March 2023 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 4 | Regulation 76 Reconciliation of share capital | September 2022 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 5 | Regulation 76 Reconciliation of share capital | December 2022 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 6 | Regulation 76 Reconciliation of share capital | March 2023 | This was delayed due to the non payment of the dues of CDSL/ RTA which was resolved thereafter and the compliance was done. |
| 7 | 7(3) | March 2023 | This is due to the resignation of the CS cum Compliance Officer who used to take care of all the Compliances |
| 8 | 40(9) | March 2023 | This is due to the resignation of the CS cum Compliance Officer who used to take care of |



| | | | |
|----|---|------------|--|
| | | | all the Compliances |
| 9 | SDD compliance Certificate | March 2023 | This is due to the resignation of the CS cum Compliance Officer who used to take care of all the Compliances |
| 10 | Regulation 30 Appointment of Mrs Sushneet Kaur on 28.01.2023 | 28.01.2023 | The intimation was inadvertently missed by the Company to the exchange |
| 11 | Regulation 30 Resignation of Mrs Tanupreet kaur on 21.05.2023 | 21.05.2023 | This is due to the resignation of the CS cum Compliance Officer who used to take care of all the Compliances |
| 12 | Regulation 30 Appointment of Mr Eshaan Singh Takkar on 21.05.2023 | 21.05.2023 | This is due to the resignation of the CS cum Compliance Officer who used to take care of all the Compliances |

Further the Secretarial Auditor reported that

- The accounts of the Company has been classified as NPA by the Bank as on 31.03.2023
- That the trading in the Scrip of the company has been suspended due to non-payment of ALF dues
- The Company is in violation of SEBI & Exchange Regulations and the Company has not implemented structural digital database requirement as per regulation 3(5) and (6) of SEBI (PIT) Regulations 2015.

Explanation / Comment from the Board:

- The company's operations have taken a hit and the company has not been able to perform due to which the accounts have been classified as NPA.
- The Company has not paid Listing fee to MSEI and has raised a dispute and also its intention to delist from MSEI but still the MSEI has been raising additional invoices for Annual Listing Fee. This has caused the scrip of the company to be suspended, for which the company shall be filing application for removal of the restriction.
- The Company is a small company in size of operations and lately the Company has been in losses and cannot afford any liabilities and manpower. The MD has stated that the Company being a small company, in losses is unable to opt for the software required with a database.

16.3 INTERNAL AUDITORS:

Mr. Bipin Bihari Singh performs the duties of internal auditor of the company and his report is reviewed by the audit committee from time to time and has been re-appointed for FY 2023-24 and onwards.

16.4 COST AUDITOR:

The Cost Audit was not applicable on the Company during the Financial Year 2022-23 as per Companies (Cost record & audit) Rules, 2014.

17. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the



accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

18. LISTING OF SECURITIES:

The Securities of the Company are listed on Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited. *The Company has not paid Annual Listing Fees for the years Financial Year 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 and is in violation of SEBI & Exchange Regulations. The Company has also not paid the fines/SOP fine imposed by the exchanges*

19. COMMITTEES OF THE BOARD:

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

| Sr. No. | Name of Directors | Designation |
|---------|--------------------|------------------------------|
| 1. | Mr. Sunil rana* | Chairman |
| 2. | Mrs. Jasjeet Kaur | Chairman (w.e.f. 30.12.2022) |
| 3. | Ms. Sushneet Kaur | Member (w.e.f. 28.01.2023) |
| 4. | Mr. Harpreet Singh | Member |

*Resigned w.e.f. 30.12.2022

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. During the year under review, the Audit Committee Members, met Five (5) times on 30.05.2022, 13.08.2022, 31.08.2022, 14.11.2022 and 14.02.2023.

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

| Sr. No. | Name of Directors | Designation |
|---------|---------------------------------------|------------------------------|
| 1. | Mr. Sunil Rana* | Chairman |
| 2. | Mrs. Jasjeet Kaur | Chairman (w.e.f. 30.12.2022) |
| 3. | Mr. Eshaan Singh Takkar ^{\$} | Member |
| 4. | Ms Sushneet Kaur | Member (w.e.f. 28.01.2023) |
| 5. | Mrs. Tanupreet Kaur | Member (w.e.f. 21.02.2023) |

*Resigned w.e.f. 30.12.2022

^{\$} Resigned w.e.f. 21.02.2023

& Appointed w.e.f. 21.02.2023

The Nomination and Remuneration Committee Members met Three (3) times on 30.12.2022, 28.01.2023 and 21.02.2023.



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

| Sr. No. | Name of Directors | Designation |
|---------|--------------------|------------------------------|
| 1. | Mr. Sunil Rana* | Chairman |
| 2. | Mrs. Jasjeet Kaur | Chairman (w.e.f. 30.12.2022) |
| 3. | Mr. Harpreet Singh | Member |
| 4. | Ms. Sushneet Kaur | Member (w.e.f. 28.01.2023) |

*Resigned w.e.f. 30.12.2022

The complaints received during the year, if any, were duly resolved. The Committee meets as and when required, to deal with the investor related matters. The Stakeholder Relationship Committee Members met two (2) times on 31.08.2022 and 14.02.2023.

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

| Sr. No. | Name of Directors | Designation |
|---------|-------------------------|----------------------------|
| 1. | Mr. Eshaan Singh Takkar | Chairman |
| 2. | Mr. Jasjeet Kaur | Member |
| 3. | Mr. Sunil Rana* | Member |
| 4. | Ms. Sushneet Kaur | Member (w.e.f. 28.01.2023) |

*Resigned w.e.f. 30.12.2022

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

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

21. ANNUAL RETURN:

The Annual Return of the Company for the Financial Year 2021-2022 (Form MGT-7) can be found on the website of the Company for which the link has been provided as follows:

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

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and directors to report genuine concerns, unethical behavior and irregularities, if any, in the company noticed by them which could adversely affect



company's operations. The same is reviewed by the Audit Committee from time to time. No concerns or irregularities have been reported till date. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

23. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

24. RELATED PARTY TRANSACTIONS/ PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The materially significant transactions with related parties during the financial year which were not in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in Annexure- C.

25. CORPORATE GOVERNANCE:

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

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

The Company has in place a prevention of sexual Harassment policy in line with the requirements of the sexual Harassment of Women at the Workplace (prevention, prohibition and Redressal) Act, 2013. During the year 2022-23 no complaints were received by the Company related to sexual Harassment.

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

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

28. PARTICULARS OF EMPLOYEES:

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

The Composition of company constitutes One Executive Director (MD) only. No sitting fees have been paid to any director during the Financial Year. The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are:

The remuneration paid to Managing Director is 7,20,000/- per annum.

29. ONE TIME SETTLEMENT

During the period under review there has not been any OTS by the Company.

30. INSOLVENCY



During the period under review no application has been filed by or against the Company under IBC for insolvency and nor any application is pending.

31. APPRECIATION AND ACKNOWLEDGEMENTS:

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

32. CAUTIONARY STATEMENT:

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

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

Date: 31.08.2023

Place: Ludhiana

By the Order of the Board
For Pact Industries Limited.

Sd/-

(Managing Director)

Harpreet Singh
DIN: 00570541

Sd/-

(Non-Executive Director)

Eshaan Singh Takkar
DIN: 07194501

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

(a) Ratio of the remuneration of each director to the median remuneration of employee of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2022-23:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director / KMP for financial year 2022-23 | % increase in Remuneration in the financial year 2022-23 | Ratio of remuneration of each Director/to median remuneration of employees |
|---------|---|---|--|--|
| 1 | Mr. Harpreet Singh (Managing Director) | 7,20,000 | 0 | 2:1 |
| 2 | Mr. Eshaan Singh Takkar (Non-Executive Director) | 0.00 | 0 | N.A |
| 3 | Mrs. Jasjeet Kaur (Independent Director) | 0.00 | 0 | N.A |
| 4 | Mr. Sunil Rana* (Independent Director) | 0.00 | 0 | N.A |
| 5 | Mr. Sanjay Jain (Chief Financial Officer) | 0.00 | 0 | N.A |
| 6 | Mrs Tanupreet kaur (Non-Executive Director) | 0.00 | 0 | N.A |
| 7. | Ms. Sushneet kaur (Independent Director) | 0.00 | 0 | N.A |
| 8. | Ms. Sharon Arora# (Company Secretary) | 1,20,000 | 0 | 0.3:1 |

* Resigned w.e.f. 30.12.2022

Resigned from the Company w.e.f. 30.03.2023.

(b) The median remuneration of employees of the Company during the financial year 2022-23 was Rs. 3.60 Lacs p.a. (approx).

(c) There were 3 permanent employees on the roll of the Company as on 31st March, 2022.

(d) Average percentage increase in the salaries of the employees other than the managerial personnel in the financial year 2022-23 was -18 % whereas the increase in the managerial remuneration for the same financial year was 0%

(e) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2023 is as per the Remuneration Policy of the Company.



'ANNEXURE – B'

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit, on test basis, of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PACT INDUSTRIES LIMITED** (hereinafter called the **Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification, on test basis, of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2023** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined, on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and amendments from time to time;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021; and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;



- vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:
- All labour laws;

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

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

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

1. The Company had not published the Financial Results in the newspaper for quarter ended 30.06.2022, 30.09.2022, 31.12.2022 and 31.03.2023 and also had not published the Notice of AGM in the newspaper.
2. The Company has not paid the Annual listing fee to the exchanges.
3. The Company has not sent notices of the Annual General Meeting to the Members of the company along with annual report.
4. The disclosure of the Accounts of the Company to be NPA by the Bank.
5. The Company has not filed various e-forms with MCA / ROC.
6. The Company has not maintained the website as per BSE circular under regulation 46.
7. The Company has not updated the website on a regular basis.
8. The Company has not implemented structural digital database requirement as per regulation 3(5) and (6) of SEBI (PIT) Regulations 2015.
9. The following compliances were delayed by the company during the financial year and the penalty for which is also pending to be paid to the stock exchanges.

| Sr no | Regulation | Quarter ended | Remarks |
|-------|--|----------------|----------------|
| 1 | Regulation 31 Shareholding Pattern | September 2022 | Delayed filing |
| 2 | Regulation 31 Shareholding Pattern | December 2022 | Delayed filing |
| 3 | Regulation 31 Shareholding Pattern | March 2023 | Delayed filing |
| 4 | Regulation 76 Reconciliation of share capital | September 2022 | Delayed filing |
| 5 | Regulation 76 Reconciliation of share capital | December 2022 | Delayed filing |
| 6 | Regulation 76 Reconciliation of share capital | March 2023 | Delayed filing |
| 7 | 7(3) | March 2023 | Delayed filing |
| 8 | 40(9) | March 2023 | Delayed filing |
| 9 | SDD compliance Certificate | March 2023 | Non-filing |
| 10 | Regulation 30 Appointment of Mrs Sushneet Kaur on 28.01.2023 | 28.01.2023 | Non-filing |
| 11 | Regulation 30 Resignation of Mrs Tanupreet kaur on 21.05.2023 | 21.05.2023 | Non-filing |
| 12 | Regulation 30 Appointment of Mr Eshaan Singh Takkar on 21.05.2023 | 21.05.2023 | Non-filing |

We further report that

The Board of Directors of the Company is duly constituted. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act **except the disclosure to the stock exchanges has been not been filed by the Company(as stated in above para under points 10, 11 and 12), also the requisite forms are pending for filing with the ROC.** Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



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

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

1. *The accounts of the Company has been classified as NPA by the Bank as on 31.03.2023*
2. *That the trading in the Scrip of the company has been suspended due to non-payment of ALF dues*
3. *The Company is in violation of SEBI & Exchange Regulations and the Company has not implemented structural digital database requirement as per regulation 3(5) and (6) of SEBI (PIT) Regulations 2015.*

**Place: Ludhiana
Dated: 30.08.2023**

Sd/-

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

**UDIN: A060218E000897593
Peer review number: 2971/2023**

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

'ANNEXURE A'

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

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

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**Place: Ludhiana
Dated: 30.08.2023**

Sd/-

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

**UDIN: A060218E000897593
Peer review number: 2971/2023**

**'ANNEXURE – C'****FORM NO. AOC.2**

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

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

There were no contracts or arrangements or transactions entered into during the year ended on 31st March, 2023, which were not at Arm's Length basis.

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

| S.No. | Name | Date of approval | Relation | Nature of Transaction | Value for the year |
|-------|-------------------------|------------------|----------------------|-----------------------|--------------------|
| 1 | Harpreet Singh | 14.02.2022 | Promotor/Director | Remuneration | 692500 |
| 2 | Harpreet Singh | 14.02.2022 | Promotor/Director | Loan | 0@ |
| 3 | Parav Singh Takkar | 14.02.2022 | Director's Relatives | Loan | 0@ |
| 4 | Parav Singh Takkar | 14.02.2022 | Director's Relatives | salary | 636424 |
| 5 | Eshaan Singh | 14.02.2022 | Promotor/Director | Loan | 0@ |
| 6 | Tanupreet kaur | 14.02.2022 | Director's Relatives | Loan | 0@ |
| 7 | Preet Steel | 14.02.2022 | Promotor Co. | Sale | 112103138.60 |
| 8 | Preet Steel | 14.02.2022 | Promotor Co. | Purchases | 101773415.60 |
| 9 | Kartarz Alloys Pvt.Ltd. | 14.02.2022 | Promotor Co. | Sale | 112096994.00 |
| 10 | Kartarz Alloys Pvt.Ltd. | 14.02.2022 | Promotor Co. | Purchases | 116888778.00 |
| 11 | Pact Automobiles | 14.02.2022 | Firm | Lease Rent | 112100.00 |

@ Depicts the Loan amount outstanding at 31.03.2023 i.e. the value for the financial year ended 2022-23 is NIL

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

**'ANNEXURE – D'****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

A. CONSERVATION OF ENERGY:

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

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

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

| A | Power and Fuel Consumption | | 2022-23 | 2021-22 |
|-----------|-------------------------------------|-----|----------------|----------------|
| 1. | Electricity – Own Generation | | | |
| | Unit Produced | KWH | 0 | 6107 unit |
| | Cost of Diesel | Rs. | 0 | 85500 |
| | Cost Per Unit | Rs. | 0.00 | 14.00 |
| 2. | Electricity Purchased – | | | |
| | Unit Purchased | KWH | 57446 Unit | 63680 Unit |
| | Total Amount | Rs. | 448083.00 | 496700.00 |
| | Rate Per Units | Rs. | 7.80 | 7.80 |
| B. | Other/ Internal Generations | - | - | - |

B. Technology absorption:

(i) **The efforts made towards technology absorption:** The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. The Company has successfully achieved results in reducing the cost of production, power consumption and improving technical efficiencies and productivity.

(ii) **The benefit derived like product improvement, cost reduction, product development or import substitution:** NONE

(iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :** NONE

a. The details of technology imported;

b. The year of import;

c. Whether the technology been fully absorbed;

d. If not fully absorbed, areas where absorption has not taken place, and the reasons the reasons thereof; and



(iv) **The expenditure incurred on Research and Development:** No specific expenditure exclusively on R&D has been incurred. The indigenous technology available is continuously being upgraded to improve the overall performance of the Company.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(12 months)

| | 2022-23 | 2021-22 |
|--------------------------------------|----------------|----------------|
| a) Earning (Export Sales- FOB Value) | NIL | NIL |
| b) Outgo: | | |
| i) Imports-Raw Material & Spares | 0 | 0 |
| Capital Goods | NIL | NIL |
| ii) Expenditure | NIL | NIL |
| c) Net Foreign Exchange Earnings | NIL | NIL |

By the Order of the Board
For Pact Industries Limited.

Date: 31.08.2023
Place: Ludhiana

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



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company

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

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

BOARD COMPOSITION

Size and Composition of Board of Directors

Board of Directors

The Company has 5 Directors Comprising of One Executive Director; Four Non-Executive Director out of which Two are Non-Executive Independent Directors. The Board periodically evaluates the need for change in its composition and size.

Nine Board Meetings were held during the Financial Year 01st April, 2022 to 31st March, 2023. Details of the meetings are as following:-

| Sr. No. | Date of Meeting |
|----------------|------------------------|
| 1. | 30/05/2022 |
| 2. | 13/08/2022 |
| 3. | 31/08/2022 |
| 4. | 14/11/2022 |
| 5. | 30/12/2022 |
| 6. | 28/01/2023 |
| 7. | 14/02/2023 |
| 8. | 21/02/2023 |

There was not a gap of more than 120 days between two consecutive meetings. All the information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been placed before the Board.

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

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

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

Remuneration Paid to Directors:

Looking the scenario of the iron and steel Industry and financial position of the company none of the Executive Directors have taken any remuneration except Mr. Harpreet Singh, Managing Director to whom remuneration of Rs. 7,20,000/- per annum has been paid for the Financial Year 2022-23.

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

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2023 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Code of Conduct for Board members and Senior Management:

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

BOARD COMMITTEES**AUDIT COMMITTEE**

The Audit Committee is vested with the necessary powers to achieve its objectives. The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act. The committee comprises of three Directors, out of which two are Independent Directors. All the members, including Chairman of Audit Committee are financially literate and have the ability to read and understand the financial statement. In the Financial Year 2022-23, five meetings were held on 30.05.2022, 13.08.2022, 31.08.2022, 14.11.2022 and 14.02.2023.. Composition of committee as on 31st March, 2023 and member's attendance at the meetings during the year are as under:

Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2022-23 are given below:

| Name | Status | Category | No of Meetings Attended during the year 2022-23 | |
|-------------------|-------------------|--------------------------------------|---|----------|
| | | | Held/ eligible to attend | Attended |
| Mr. Sunil Rana* | Chairman | Non-Executive & Independent Director | 4 | 4 |
| Mrs. Jasjeet Kaur | Chairman (w.e.f.) | Non-Executive & Independent Director | 5 | 5 |



| | | | | |
|--------------------|----------------------------|--------------------------------------|---|---|
| | 30.12.2022) | | | |
| Mr. Harpreet Singh | Member | Executive Director | 5 | 5 |
| Ms. Sushneet Kaur | Member (w.e.f. 28.01.2023) | Non-Executive & Independent Director | 1 | 1 |

*Resigned w.e.f. 30.12.2022

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

- Meetings

In the Financial Year 2022-23, three meetings were held on 30.12.2022, 28.01.2023 and 21.02.2023.

| Name | Status | Category | No of Meetings Attended during the year 2022-23 | |
|-------------------------|------------------------------|--------------------------------------|---|----------|
| | | | Held/ eligible to attend | Attended |
| Mr. Sunil Rana* | Chairman | Non Executive & Independent Director | 0 | 0 |
| Mrs. Jasjeet Kaur | Chairman (w.e.f. 30.12.2022) | Non Executive & Independent Director | 3 | 3 |
| Mr. Eshaan Singh Takkar | Member | Non-Executive Director | 3 | 3 |
| Ms Sushneet Kaur | Member (w.e.f. 28.01.2023) | Non Executive & Independent Director | 1 | 1 |

*Resigned w.e.f. 30.12.2022

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

In the Financial Year 2022-23, two meetings were held on 31.08.2022 and 14.02.2023.

| Name | Status | Category | No of Meetings Attended |
|------|--------|----------|-------------------------|
|------|--------|----------|-------------------------|



| | | | during the year 2022-23 | |
|--------------------|------------------------------|---------------------------------------|--------------------------|----------|
| | | | Held/ eligible to attend | Attended |
| Mr. Sunil Rana* | Chairman | Non-Executive & Independent Director | 1 | 1 |
| Mrs. Jasjeet Kaur | Chairman (w.e.f. 30.12.2022) | Non- Executive & Independent Director | 2 | 2 |
| Mr. Harpreet Singh | Member | Executive Director | 2 | 2 |
| Ms. Sushneet Kaur | Member (w.e.f. 28.01.2023) | Non- Executive & Independent Director | 1 | 1 |

*Resigned w.e.f. 30.12.2022

The complaints received during the year, if any, were duly resolved.

RISK MANAGEMENT COMMITTEE

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

*Resigned w.e.f. 30.12.2022

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

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

RELATED PARTY TRANSACTIONS

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website www.pactindustries.in

SUBSIDIARY COMPANIES

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

POLICY FOR PRESERVATION OF DOCUMENTS

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

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

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

**ARCHIVAL POLICY**

In accordance with regulation 30 (8) of SEBI (Listing Obligations and Disclosures) Regulations, 2015 an archival policy was adopted in the previous years and was uploaded on the website of the company.

WHISTLE BLOWER POLICY

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

Compliance with Accounting Standards

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

GENERAL BODY MEETING

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

| Financial Year | Location of the Meeting | Date | Time |
|----------------|---|------------|------------|
| 2019 – 2020 | 303, Hotel The Taksonz, Opp.Railway Station, Ludhiana | 28.12.2020 | 12:00 NOON |
| 2020-21 | 303, Hotel The Taksonz, Opp.Railway Station, Ludhiana | 27.09.2021 | 11:00 AM |
| 2021-22 | 303, Hotel The Taksonz, Opp.Railway Station, Ludhiana | 30.09.2022 | 11.00 AM |

| Financial Year | SR passed. if any | Resolution passed |
|----------------|---|-------------------|
| 2019 – 2020 | Re-appointment of Mrs. Jasjeet Kaur (DIN: 07130910) as an Independent Director of the Company for term of Five Years. To Increase the Borrowing Powers of the Company under Section 180(1) (c) of the Companies Act, 2013 To Increase the Borrowing Powers of the Company for Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013. | YES |
| 2020-21 | To approve Increase in Remuneration of Mr. Harpreet Singh, Managing Director of the Company | YES |
| 2021-22 | Approve Related Party Transaction | Yes |



CEO (MANAGING DIRECTOR) / CFO CERTIFICATION

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

- a) The financial statements and the Cash Flow Statement for the year ended 31st March 2023 have been reviewed and to the best of their knowledge and belief:
 - i) these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) They have indicated to the auditors and the Audit Committee:
 - i) Significant changes in the internal control over financial reporting during the year.
 - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

For Pact Industries Limited.

Date: 31.08.2023
Place: Ludhiana

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

Sd/-
(CFO)
Sanjay Jain
PAN: AAQPJ0106J



MEANS OF COMMUNICATION

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

The quarterly, half-yearly and annual financial results were not published in newspapers.

SHAREHOLDER INFORMATION

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

PARTICULARS OF DIRECTORS REAPPOINTED

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

Registrar and Transfer Agent

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

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

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

COMPLIANCES

Mandatory Requirements

The Company has fully complied with the applicable mandatory requirement of SEBI (Listing Obligations and Disclosures) Regulations, 2015. As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by M/S **Bhambri & Associates**, Company Secretaries with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited & Metropolitan Stock Exchange of India Ltd.

Shareholders Rights:

The quarterly and half-yearly financial results are published in widely circulated dailies and also



displayed on Company's website www.pactindustries.in . Hence, these are not individually sent to the Shareholders.

Reporting of Internal Auditor:

The internal auditor reports to audit committee.

General Shareholders Information's

Annual General Meeting

Date : 28th September, 2023
Day : Thursday
Time : 04:00 P.M.
Venue : 303, Hotel The Taksonz, Opp.Railway Station, Ludhiana

FINANCIAL CALENDAR

Financial Year : 01st April 2022 to 31st March 2023

Financial results were announced on:

- o August 2022 : First Quarter
- o November 2022 : Second Quarter
- o February 2023 : Third Quarter
- o May 2023 : Fourth Quarter

Book Closure

The dates of book closure are from 22nd September, 2023 to 28th September, 2023. (inclusive of both days).

Demat ISIN Number for NSDL and CDSL : INE494K01024

Listing

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

| Stock Exchange | Stock Code |
|---|--------------------|
| Bombay Stock Exchange Limited 25 TH Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 | Scrip Code- 538963 |
| Metropolitan Stock Exchange of India Ltd | Symbol: PACT |

SHARE TRANSFER SYSTEM

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

STOCK MARKET DATA

Market Price Data as compared to closing Sensex during 2022-23.

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



| Month | BSE | | | | |
|-----------------|--------------|------|---------------|-----------|-----------|
| | Share Prices | | No. of Trades | Sensex | |
| | High | Low | | High | Low |
| April, 2022 | 2.67 | 2.4 | 43 | 60,845.10 | 56,009.07 |
| May, 2022 | 2.7 | 2.4 | 25 | 57,184.21 | 52,632.48 |
| June, 2022 | 2.57 | 2.57 | 13 | 56,432.65 | 50,921.22 |
| July, 2022 | 2.69 | 2.57 | 12 | 57,619.27 | 52,094.25 |
| August, 2022 | 2.82 | 2.68 | 21 | 60,411.20 | 57,367.47 |
| September, 2022 | 2.68 | 2.45 | 17 | 60,676.12 | 56,147.23 |
| October, 2022 | 2.5 | 2.26 | 15 | 60,786.70 | 56,683.40 |
| November, 2022 | 2.15 | 1.95 | 15 | 63,303.01 | 60,425.47 |
| December, 2022 | 1.95 | 1.77 | 43 | 63,583.07 | 59,754.10 |
| January, 2023 | 1.95 | 1.77 | 51 | 61,343.96 | 58,699.20 |
| February, 2023 | 1.85 | 1.68 | 20 | 61,682.25 | 58,795.97 |
| March, 2023 | 1.76 | 1.6 | 11 | 60,498.48 | 57,084.91 |

Source: www.bseindia.com and <https://in.investing.com>

DEMATERIALISATION OF SHARES:

As on 31st March, 2023, 86.74% of the capital comprising 4,80,58,975 shares out of total of 5,54,08,000 shares were dematerialized.

ADDRESS OF CORRESPONDENCE

Shareholders may contact:

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

Email: pactindustries1993@gmail.com



TO WHOMSOEVER IT MAY CONCERN

I, Harpreet Singh, the Managing Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct for the Financial Year ended 31st March 2023 as laid down by the Company pursuant to the requirements of para D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Sd/-

Place: Ludhiana
Date: 31.08.2022

Harpreet Singh
Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of

PACT INDUSTRIES LIMITED

Report on Financial Statements

Opinion

1. We have audited the accompanying financial statements of **PACT INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other Accounting Principles Generally Accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Managements' Responsibility for the Financial Statements

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

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

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

Auditors' Responsibility

6. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
9. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
10. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

11. Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, based on our audit , we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, other comprehensive income, statement of change in Equity including Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statement comply with the Ind AS specified under Section 133 of the Act 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to Standalone financial Statement .
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The company has no pending litigation with any department so no impact on its financial statements;
 - ii) As there are not any material foreseeable losses, on long term contracts, therefore the company has not made any provision, required under the applicable law or accounting standards.
 - iii) There has been no delay in transferring amounts, required to be transferred if any, to the investor Education and Protection Fund by the Company.

- iv. a The Management has represented that to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity ("Intermediaries") with the understanding whether recorded in writing or otherwise that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;
- b The Management has represented that to the best of its knowledge and belief no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity including foreign entity ("Funding Parties") with the understanding whether recorded in writing or otherwise that the Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries;
- c Based on the audit procedures that have been considered reasonable and appropriate in the circumstances nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and(b) above contain any material misstatement.
- v. The company has neither declared a nor paid any dividend during the previous year as well as current year.
- vi Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Place : LUDHIANA
Dated : 30.05.2023**

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- i. In respect of the Company's Property Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment and the company has no right-of-use assets.
 - (B) The Company has no intangible assets.
 - (b) The Company has a program of physical verification of Property Plant and Equipment so to cover all the assets once every three years which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program certain Property Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) As per information and explanation given to us , the company has no immovable property during the year 2022-23 , hence reporting under clause 3(i) (c) of the Order is not applicable.
 - (d) The Company has not revalued any of its Property Plant and Equipment during the year.
 - (e) As per information and explanation given to us ,no proceedings have been initiated during the year or are pending against the Company as at March 31 2023 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made there under.
- ii. (a) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are not in agreement with the books of account of the Company. The company has provided us the quarterly information and the detail of differences is given below:

| <u>PARTICULARS</u> | <u>30.06.2022</u> | <u>30.09.2022</u> | <i>(amt. in Lac)</i> | |
|--------------------------------|-------------------|-------------------|-----------------------|----------------------------|
| | | | <u>31.12.2022</u> | <u>31.03.2023</u> |
| <u>STOCK</u> | | | | |
| AS PER BOOKS | 792.59 | 759.48 | 687.24 | 739.69 |
| AS PER STATEMENT | 906.02 | 644.38 | 895.93 | not submitted with bank |
| <u>SUNDRY CREDITORS</u> | | | | |
| AS PER BOOKS | 355.92 | 666.68 | 651.36 | 455.69 |
| AS PER STATEMENT | 232.21 | 198.66 | 268.55 | not submitted with bank |
| <u>SUNDRY DEBTORS</u> | | | | |
| AS PER BOOKS | 1229.51 | 1099.11 | 1290.96 | 1378.02 |
| AS PER STATEMENT | 1066.45 | 1082.52 | 1202.56 | not submitted with bank |

- iii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investments in, given any guarantee or security or granted any loans or advances which are characterised as loans, unsecured or secured, to LLPs, firms or companies or any other person during the year 2022-23. Hence reporting under sub clause a, b, c, d, e and f of clause 3 (iii) of the Order is not applicable.
- iv. As per information and explanation given to us , the company has not given any loans to directors or any other person in whom the director is interested, or made any investments . Hence reporting under clause (iv) of the Order is not applicable to the Company .
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act 2013 for the business activities carried out by the Company. Hence reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) According to the information and explanations given to us ,the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax , Income Tax ,TDS and other material statutory dues applicable to it with the appropriate authorities. There is no undisputed amounts other material statutory dues in arrears as at March 31 2023 for a period of more than six months from the date they became payable except of TDS found from the Income Tax portal for F.Y. 2021-21 Rs. 0.02 Lac, F.Y. 2019-20 Rs. 0.03 Lac and Rs. 0.55 Lac for prior to F.Y. 2019-20.

(b) There following is the dues which have not been deposited as on March 31 2023 on account of disputes.

| NATURE OF STATUTE ----- | NATURE OF DUES ----- | FORUM WHERE DISPUTE IS PENDING ----- | PERIOD ----- | AMOUNT (LAC) ----- |
|-----------------------------------|--------------------------------|--|------------------------|------------------------------|
| The I.T. Act 1961 | Income Tax | The Commissioner- Appeal | A.Y 2016-17 | 33.26 |
| The I.T. Act 1961 | Income Tax | The Commissioner- Appeal | A.Y 2017-18 | 59.05 |

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

ix. (a) The Company has failed to repay the installments to the bank so the bank has declared the credit facility as a NPA (i.e. Non Performing Assets)

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

(c) As per information and explanation given to us , the Company has not raised the term loan from the bank during the year except of increase in FITL .

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

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

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

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

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

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

- (b) As per information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) while determining the nature timing and extent of our audit procedures.
- xii. As per information and explanation given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion the Company is in compliance with Section 177 and 188 of the Companies Act 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures ,in our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the company during the year and till date in determining the nature timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

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

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

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has incurred cash losses of Rs. 43.77 Lac during the financial year covered by our but no cash loss during immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the variation in the financial ratios, ageing of debtors, low sale , amount of loss suffered 2022-23 expected dates of realisation of financial assets, payment of financial liabilities, other information accompanying the financial statements , NPA (Non-Performing Assets) Status of credit facility declared by the bank, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions ,it seems to us and which causes us to believe that material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will not get discharged by the Company as and when they fall due.
- xx. As the Section 135 of the Companies Act 2013 provides the threshold limit for applicability of the CSR to a Company: (a) net worth of the company to be Rs 500 crore or more; or (b) turnover of the company to be Rs 1000 crore or more; or (c) net profit of the company to be Rs 5 crore or more., So the provision of Corporate Social Responsibility not applicable to the company. Accordingly reporting under clause 3(xx) of the Order is not applicable for the year.
- xxi The company has no group company . Accordingly reporting under clause 3(xxi) of the Order is not applicable for the year.

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

Place : LUDHIANA
Dated : 30.05.2023

(PARMOD GUPTA)
PARTNER
M. NO. 096109

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Control over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PACT INDUSTRIES LIMITED** ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : LUDHIANA
Dated : 30.05.2023**

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

PACT INDUSTRIES LIMITED

(CIN : L18101PB1993PLC013193)

303, Hotel The Taksonz, Opp. Railway Station, G.T. Road, Ludhiana
BALANCE SHEET AS AT 31ST MARCH, 2023

| Particulars | Refer Note No. | (Amt. In Lac) | |
|--|--|---|--------------------------|
| | | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
| ASSETS | | | |
| <u>(1) Non Current Assets</u> | | | |
| (a) Property, Plant & Equipment | 2 | 156.48 | 170.78 |
| (b) Capital Work-in-Progress | | - | - |
| (c) Other Intangible assets | | - | - |
| (d) Financial Assets | | - | - |
| - Investments | | - | - |
| - Other Financial Assets | | - | - |
| (e) Deferred tax assets (net) | | - | - |
| (f) Other non-current Assets | 3 | 86.93 | 109.12 |
| <u>(2) Current Assets</u> | | | |
| (a) Inventories | 4 | 739.69 | 787.67 |
| (b) Financial Assets | | | |
| - Investments | | | |
| - Trade receivables | 5 | 1,378.01 | 988.14 |
| - Cash and cash equivalents | 6 | 20.09 | 6.06 |
| - Bank Balances Other than above Loans | | | |
| - Other Financial Assets | 7 | - | - |
| (c) Other current assets | 8 | 12.51 | 24.52 |
| (d) Other Tax Assets (Net) | | 1.87 | 2.65 |
| Total Assets | | 2,395.58 | 2,088.94 |
| II. EQUITY AND LIABILITES | | | |
| <u>EQUITY</u> | | | |
| (a) Equity Share Capital | 9 | 554.08 | 554.08 |
| (b) Other Equity | 10 | 190.32 | 291.38 |
| Total Equity | | 744.40 | 845.46 |
| Liabilities | | | |
| <u>(1) Non Current Liabilities</u> | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 11 | 305.96 | 326.52 |
| (b) Provisions | | | |
| (c) Deferred tax Liabilities (Net) | | 27.30 | 4.26 |
| (d) Other Non Current Liabilities | | | |
| <u>(1) Current Liabilities</u> | | | |
| (a) Financial Liabilities | | | |
| - Borrowings | 12 | 826.80 | 767.81 |
| - Trade Payables | 13 | 455.39 | 122.25 |
| (i) Total Dues towards MSME | | 455.39 Lac | |
| (ii) Total Dues other than MSME | | 0.00 Lac | |
| - Other Financial Liabilites | 14 | 5.50 | 4.51 |
| (b) Other Current Liabilites | 15 | - | 1.89 |
| (c) Provisions | 16 | 30.23 | 16.24 |
| (d) Current Tax Liabilites (Net) | | - | - |
| Total Equity & Liabilities | | 2,395.58 | 2,088.94 |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | - | - |
| See accompanying Notes to the Financial Statements | 2-61 | | |
| <i>This is the Balance Sheet referred to in our Report of even date addressed to the Members of Pact Industries Limited</i> | | | |
| FOR AND ON BEHALF OF THE BOARD | | AUDITOR'S REPORT | |
| | | SUBJECT TO OUR SEPRATE REPORT OF EVEN DATE | |
| | | for PARMOD G. GUPTA & ASSO. | |
| | | CHARTERED ACCOUNTANTS | |
| (HARPREET SINGH) MG. DIRECTOR DIN: 00570541 | (ESHAAN SINGH TAKKAR) DIRECTOR DIN: 07194501 | (PARMOD GUPTA) PARTNER (FIRM REGN. NO. 018870 N) (MEMBERSHIP NO. 096109) | |
| (SANJAY JAIN) CFO (KMP) AAQPJ0106J | | | |
| PLACE : LUDHIANA | | | |
| DATE : 30.05.2023 | | | |
| UDIN : 23096109BGRIEM3022 | | | |

PACT INDUSTRIES LIMITED

(CIN : L18101PB1993PLC013193)

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

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2023

(Amt. In Lac)

| Sr. No | Particulars | Refer Note No. | AS AT 31ST MARCH 2023 | AS AT 31ST MARCH 2022 |
|--------|---|----------------|-----------------------|-----------------------|
| I | Revenue from operations | 17 | 2294.38 | 2830.09 |
| II | Other Income | 18 | 3.75 | 38.41 |
| III | Total Income (I +II) | | 2,298.13 | 2,868.50 |
| IV | Expenses: | | | |
| | Cost of materials consumed | 19 | 32.32 | 206.99 |
| | Purchase of Stock in Trade | | 2107.48 | 2,505.43 |
| | Change in Inventory in WIP,Finished and Traded Goods | 20 | 46.62 - | 23.20 |
| | Manufacturing Expenses | 21 | 16.21 | 38.72 |
| | Employee Benefit Expense | 22 | 13.40 | 15.64 |
| | Financial Costs | 23 | 121.74 | 75.73 |
| | Administrative Expenses | 24 | 17.35 | 14.19 |
| | Selling & Distribution Expenses | 25 | 0.00 | 0.08 |
| | Repair & Maintenance | 26 | 1.81 | 4.49 |
| | Depreciation and Amortization Expense | 27 | 20.68 | 20.99 |
| | Total Expenses (IV) | | 2,377.61 | 2,859.06 |
| V | Profit before exceptional and extraordinary items and tax | (III - IV) - | 79.48 | 9.44 |
| VI | Less: Exceptional Items (Preliminary Exp. W/Off) | | - | - |
| VII | Profit before extraordinary items and tax (V - VI) | - | 79.48 | 9.44 |
| VIII | Extraordinary Items | | - | - |
| IX | Profit before tax (VII - VIII) | - | 79.48 | 9.44 |
| X | Tax Expenses: | 28 | | |
| | (1) Current tax | | - | 1.53 |
| | (2) Deferred tax | | 23.05 | 2.52 |
| XI | Profit(Loss) from the continuing operations (IX-X) | (IX-X) - | 102.53 | 5.39 |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| | Loss on Sale of Fixed Assets | | - | - |
| XIII | Tax expense of discontinuing operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations (XII - XIII) | - | 102.53 | 5.39 |
| XV | Profit/(Loss) for the period (XI + XIV) | - | 102.53 | 5.39 |
| XVI | Earning per equity share: | | | |
| | (1) Basic | 29 - | 0.19 | 0.01 |
| | (2) Diluted | 29 - | 0.19 | 0.01 |
| | SIGNIFICANT ACCOUNTING POLICIES | 1 | | |
| | See accompanying Notes to the Financial Statements | 2-61 | | |
| | This is the Balance Sheet referred to in our Report of even date addressed to the Members of Pact Industries Limited | | | |

FOR AND ON BEHALF OF THE BOARD

AUDITOR'S REPORT

SUBJECT TO OUR SEPRATE REPORT OF EVEN DATE

(HARPREET SINGH)
MG. DIRECTOR
DIN: 00570541

(ESHAAN SINGH TAKKAR)
DIRECTOR
DIN: 07194501

for PARMOD G. GUPTA & ASSO.
CHARTERED ACCOUNTANTS

(PARMOD GUPTA)
PARTNER

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

(SANJAY JAIN)
CFO (KMP) AAQPJ0106J

PLACE : LUDHIANA

DATE : 30.05.2023

UDIN : 23096109BGRIEM3022

**PACT INDUSTRIES LIMITED
CASH FLOW STATEMENT**

| A . Cash Flow From Operating Activities | (AMT. in Lacs) | | | |
|---|----------------|------------|---------|------------|
| | Details | 31.03.2023 | Details | 31.03.2022 |
| Net Profit /(Loss) as Per profit & Loss before Tax | | -79.48 | | 9.44 |
| Add:- Non Operating /Non Cash Expenses | | | | |
| Depreciation & Amortisation | | | | |
| Bank Charges | 20.67 | | 20.99 | |
| Rent Paid | 2.28 | | 5.55 | |
| Interest Expenses | 7.83 | | 7.62 | |
| Profit on Sale of Assets | 119.45 | | 85.22 | |
| Adj. of MAT | 0.00 | | -0.22 | |
| Deferred Exp. w/off | 1.47 | | 0.00 | |
| Net DTA | 15.03 | | 0.00 | |
| Dep. Reserve trfd. To Assets | -23.05 | | -2.52 | |
| | 0.00 | 143.68 | -109.61 | 7.03 |
| Changes in Working Capital:- | | 64.20 | | 16.47 |
| Increase/(Decrease) in Current Liabilities | 405.22 | | -102.1 | |
| Less:- Increase/(Decrease) in Current Assets | -329.09 | 76.13 | 23.73 | -78.37 |
| Cash Generated from Operations | | 140.33 | | -61.90 |
| Less:- Current Taxes | | 0.00 | | 1.53 |
| Net Cash Flow From Operating Activities (A) | | 140.33 | | -63.43 |
| B . Cash Flow From Investing Activities | | | | |
| Rent Paid | -7.83 | | -7.62 | |
| Dep. Reserve adj. in assets | 0.00 | | 109.61 | |
| Sale of Fixed Assets | 1.53 | | 3.10 | |
| Purchase of Fixed Assets | -0.70 | | -0.94 | |
| Decrease/(Increase) in Non current Assets | -0.04 | -7.04 | -15.27 | 88.88 |
| Net Cash Flow From Investing Activities (B) | | -7.04 | | 88.88 |
| C . Cash Flow From Financing Activities (D) | | | | |
| Loan rec. | -20.57 | | 52.12 | |
| DTL | 23.05 | | 2.52 | |
| Interest on loans | -119.45 | | -85.22 | |
| Bank Charges | -2.29 | -119.26 | -5.55 | -36.13 |
| Net Cash Flow From Financing Activities (D) | | -119.26 | | -36.13 |
| Net Cash & Cash Equivalents (a-b-c) | | 14.03 | | -10.68 |
| Cash & Cash Equivalents in the beging | | 6.06 | | 16.74 |
| Cash & Cash Equivalents at the end | | 20.09 | | 6.06 |

FOR AND ON BEHALF OF THE BOARD

(HARPREET SINGH)
MG. DIRECTOR
DIN: 00570541

(ESHAAN SINGH)
DIRECTOR
DIN: 07194501

For PARMOD G. GUPTA & ASSO.
CHARTERED ACCOUNTANTS

(PARMOD GUPTA)
PARTNER
(MEMBERSHIP NO. 096109)
(FIRM REG. NO. 018970 N)

PLACE : LUDHIANA
DATE : 30.05.2023

PACT INDUSTRIES LIMITED

Standalone Statement of Changes in Equity for the year ended March 31, 2023

STATEMENT OF CHANGE IN EQUITY

A. EQUITY SHARE CAPITAL (Amt. in Lac)

1 Current Reporting Period

| Balance as at 01.04.2022 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 01.04.2022 | Changes in equity share capital during the current year | Balance as at 31.03.2023 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 554.08 | 0 | 554.08 | 0 | 554.08 |

2 Previous Reporting Period

| Balance as at 01.04.2021 | Changes in Equity Share Capital due to prior period errors | Restated balance as at 01.04.2021 | Changes in equity share capital during the current year | Balance as at 31.03.2022 |
|--------------------------|--|-----------------------------------|---|--------------------------|
| 554.08 | 0 | 554.08 | 0 | 554.08 |

REFER TO NOTE NO. 9

B. Other Equity

| Particulars | Note No. | Reserves and Surplus | | | | | Other Comprehensive Income | | Total other Equity |
|--|----------|----------------------|-----------------|----------------------|------------------------|-----------------|---|---|--------------------|
| | | Securities Premium | Capital Reserve | Depreciation Reserve | Statutory Reserve Fund | General Reserve | Surplus/(deficit) in the Statement of Profit and Loss | Equity Instruments through Other Comprehensive Income | |
| As at April 1, 2022 | 10 | 204.00 | 4.90 | - | - | 22.00 | 60.48 | - | 291.38 |
| Profit for the year | | - | - | - | - | - | 102.53 | - | 102.53 |
| MAT (A.Y. 2022-23) | | - | - | - | - | - | 1.47 | - | 1.47 |
| - Depreciation written back | | - | - | - | - | - | - | - | - |
| | | 204.00 | 4.90 | - | - | 22.00 | 40.58 | - | 190.32 |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| -Previous Year's adjustment | | - | - | - | - | - | - | - | - |
| Trf. To dep. To the respective assets | | - | - | - | - | - | - | - | - |
| | | 204.00 | 4.90 | - | - | 22.00 | 40.58 | - | 190.32 |
| Balance as at 01.04.2021 | | 204.00 | 4.90 | 109.61 | - | 22.00 | 55.09 | - | 395.60 |
| Profit for the year | | - | - | - | - | - | 5.39 | - | 5.39 |
| Depreciation for the year | | - | - | - | - | - | - | - | - |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| | | 204.00 | 4.90 | 109.61 | - | 22.00 | 60.48 | - | 400.99 |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| -Previous Year's adjustment | | - | - | - | - | - | - | - | - |
| -Loss on sale of assets | | - | - | - | - | - | - | - | - |
| Trf. Of Dep.to the respective assets | | - | - | 109.61 | - | - | - | - | 109.61 |
| As at March 31, 2022 | | 204.00 | 4.90 | - | - | 22.00 | 60.48 | - | 291.38 |

Significant Accounting Policies

The accompanying 2- 61 notes form integral part of the Standalone Ind AS financial statements.

Nature and purpose of Reserve

- Securities Premium Reserve is used to record the premium on issue of shares. The reserve can be utilised only for Limited purpose such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- The retained earnings represents the accumulation of net undistributed profit for every year.
- A capital reserve is a line item in the equity section of a company's balance sheet that indicates the cash on hand that can be used for future expenses or to offset any capital losses. It is derived from the accumulated capital surplus of a company and is created out of its profit.
- General reserve is referred to as the reserve fund that is created by keeping aside a part of profit earned by the business during the course of an accounting period for fulfilling various business needs like meeting contingencies, offsetting future losses, enhancing the working capital, paying dividends .

PACT INDUSTRIES LIMITED, LUDHIANA
CIN: L18101PB1993PLC013193
F.Y. 2022-23

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

A. CORPORATE INFORMATION:-

Pact Industries Limited company incorporated in India under the Companies Act, 1956 (now 2013) which is engaged in trading of steel & iron, textile as well as mfg. of agriculture equipments during the year 2022-23.

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

B. 1 SIGNIFICANT ACCOUNTING POLICIES:

i) BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act and accounting principles generally accepted in India.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

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

ii) FUNCTIONAL AND PRESENTATION CURRENCY :-

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

B.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Current and Non-Current Classification

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

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of mfg and trading;

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of mfg and trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

Inventories are valued at cost or net realizable value, whichever is lower after providing obsolescence if any except in case of by-products which are valued at net realisable value as on 31.03.2023 as per Ind AS-2 issued by The Institute of Chartered Accountants of India. The cost in respect of the various items of inventory is computed as under:-

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

- The raw material/traded goods is valued at cost or net realizable value whichever is less at the end of financial year.
- In case of Work in Progress & Finished Goods at weighted average material cost plus conversion costs depending upon the stage of completion.
- In case of Wastage at cost or Net Realizable value whichever is less.
- In case of Goods in transit at cost plus expenses incurred up to their present condition and location.

iii) CASH FLOW STATEMENTS (IND AS-7):-

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 " Statement of cash flow's using the indirect method for operating activities. Cash flows are reported

using indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

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

Tax Expenses

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

i. Current Tax

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

ii. Deferred Tax

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

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

v) **PROPERTY, PLANT & EQUIPMENT (IND AS-16) :-**

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS.

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates including accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its

intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repair and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to self.

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

vi) REVENUE (IND AS-18):-

Recognition

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

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

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

Contract Balances**Trade Receivables**

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

Contract Liabilities

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

Interest Income

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

Dividend Income

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

vii) EMPLOYEE BENEFIT EXPENSES (IND AS-19):-**Short-Term Employee Benefits**

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

Post-Employment Benefits Defined Contribution Plans

The company has not got registration under ESI and EPF Act so not paying any contribution towards provident fund and ESI.

Defined Benefit Plans

No provisions has been made for Gratuity during the year 2022-23.

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

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

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

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

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration. But the company has no foreign transaction during the year 2022-23.

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

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

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

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

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

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

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

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

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

ii. Financial Liabilities

A. Initial Recognition and Measurement

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

B. Subsequent Measurement

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

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

A provision shall be recognized when:-

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

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

Contingent Liabilities

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

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

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

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

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

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

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

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

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

The company has not lend /invested any amount through the debt instrument during 2022-23. However the accounting policy is explained below.

Financial Assets

A. Initial Recognition and Measurement

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

B. Subsequent Measurement

a) Financial Assets measured at Amortised Cost (AC)

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

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

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

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

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

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

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

xviii) RESEARCH AND DEVELOPMENT EXPENDITURE:-

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred. Development costs are capitalised as an intangible asset if it can be demonstrated that the

project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss but the company has no activity of Research & Development during the year 2022-23.

xix) **USE OF ESTIMATES:-**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that effect the reported amount of revenue ,expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years . Example of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable property, plant and equipments and provisions for impairment.

xx) **RECENT ACCOUNTING PRONOUNCEMENTS**

Ministry of Corporate Affairs ("MCA") notifies new standard s or amendments to the existing standards under Companies (Indian Accounting Standards)Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 – Presentation of Financial Statements –

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023 . The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors –This amendment has introduced a definition of ' accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 – Income Taxes –

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences . The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023 . The Company has evaluated the amendment and there is no impact on its standalone financial statement.

xxi) **FINANCIAL RISK MANAGEMENT**

The company exposure to credit risk is influenced by the individual characteristics of each customer and the concentration of risk from the top few customers. The gross carrying amount of a financial assets is written off (either partially or on full) when there is no realistic prospectus of recovery.

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

(Amt. In LAC)

2 Property, Plant and Equipment

| Particulars | Own Assets | | | | | Leased Assets | | | Total |
|---|-------------------|------------------------|-------------------|-----------------------------|---------------|----------------------|-----------------------------|----------|---------------|
| | Plant & Machinery | Furniture and fixtures | Office Equipments | Data Processing machineries | Vehicles | Plant and equipments | Data Processing machineries | Vehicles | |
| Gross Carrying Amount | | | | | | | | | |
| Cost as at April 1, 2021 | 155.58 | 22.04 | 0.85 | 4.61 | 113.02 | - | - | - | 296.10 |
| Addition | - | 0.47 | 0.00 | 0.46 | - | - | - | - | 0.93 |
| Disposal and transfers | - 3.10 | - | - | - | - | - | - | - | (3.10) |
| Closing gross carrying amount | 152.48 | 22.51 | 0.85 | 5.07 | 113.02 | - | - | - | 293.93 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation | 4.38 | 1.42 | 0.17 | 2.73 | 100.90 | - | - | - | 109.60 |
| Depreciation charge during the year | 9.84 | 2.13 | 0.00 | 0.86 | 0.95 | - | - | - | 13.78 |
| Disposal and transfers | - 0.22 | - | - | - | - | - | - | - | (0.22) |
| Closing accumulated depreciation | 14.00 | 3.55 | 0.17 | 3.59 | 101.85 | - | - | - | 123.16 |
| Net carrying amount as at March 31, 2022 | 138.48 | 18.96 | 0.68 | 1.48 | 11.17 | - | - | - | 170.77 |
| Gross Carrying Amount | | | | | | | | | |
| Opening gross carrying amount | 152.48 | 22.51 | 0.85 | 5.07 | 113.02 | - | - | - | 293.93 |
| Addition | 0.71 | - | - | - | - | - | - | - | 0.71 |
| Disposal and transfers | - 1.53 | - | - | - | - | - | - | - | (1.53) |
| Closing gross carrying amount | 151.66 | 22.51 | 0.85 | 5.07 | 113.02 | - | - | - | 293.11 |
| Accumulated depreciation | | | | | | | | | |
| Opening accumulated depreciation | 14.00 | 3.55 | 0.17 | 3.59 | 101.85 | - | - | - | 123.16 |
| Depreciation charge during the year | 9.60 | 2.14 | 0.08 | 0.70 | 0.95 | - | - | - | 13.47 |
| Disposal and transfers | - | - | - | - | - | - | - | - | - |
| Closing accumulated depreciation | 23.60 | 5.69 | 0.25 | 4.29 | 102.80 | - | - | - | 136.63 |
| Net carrying amount as at March 31, 2023 | 128.06 | 16.82 | 0.60 | 0.78 | 10.22 | - | - | - | 156.48 |

Notes:-

1. Weighing Scale & Generator has been Merged with Plant & Machinery and Electric Installation with Furniture & Fixture
2. Part of the machine damaged and insurance claim has been deducted from gross value.
3. None of the assets has been revalued during 2022-23.
4. The company has no capital work in progress as on 31.03.2023.
5. All the assets mentioned above are held in the name of company except of Vehicle for which copy of RC in the name of the company of one vehicle has been provided.

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

(Amt. In LAC)

Note No. 3 :

| | OTHER NON CURRENT ASSETS | |
|---|---------------------------------|---------------------------------|
| | AS AT MARCH 31, 2023 | AS AT MARCH 31, 2022 |
| 1 Adv. for capital goods to related Parties | 61.56 | 61.56 |
| 2 Prepaid Ins. | 0.15 | 0.30 |
| 3 Misc. Exp. (Not Written Off) | - | 7.21 |
| 4 Security to Lanlord | 0.99 | 0.99 |
| 5 Sec. with Electricity Board | 19.88 | 19.88 |
| 6 Adv. to Landlord | 0.19 | 1.46 |
| 7 MAT A.Y. 2022-23 | 1.47 | - |
| 8 MAT A.Y. 2021-22 | 2.69 | 2.69 |
| 9 Deffered Interest | - | 15.03 |
| Total in ` | 86.93 | 109.12 |

Note No. 4 :

INVENTORIES

| | | |
|----------------------|--------|--------|
| a) Raw Material | 48.76 | 43.15 |
| b) Work in Progress | 4.91 | 17.16 |
| c) Finished Goods | 38.57 | 25.49 |
| d) Stock in Trade | 634.17 | 684.24 |
| e) Scrap | 8.12 | 5.50 |
| f) Consumeable Store | 5.16 | 12.13 |

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

| | | |
|-------------------|---------------|---------------|
| Total in ` | 739.69 | 787.67 |
|-------------------|---------------|---------------|

Note No. 5

TRADE RECEIVABLES

| | | |
|--|-----------------|---------------|
| 1 a) Trade Receivable , Considered Good : Secured | 1,139.92 | 725.51 |
| b) Trade Receivable Unsecured, Considered Good : Unsecured | - | - |
| c) Trade Receivable which have significant increase in Credit Risk | - | - |
| d) Trade Receivable -Credit impaired | - | - |
| Less:- Prov. for doubt debt | - | - |
| 2 Debits due by the company, firm and other entity in which directors is a Partner , director or a member | 238.09 | 262.63 |
| 3 Trade Receivable againg Schedule - as per detail attached | - | - |
| Total in ` | 1,378.01 | 988.14 |

PACT INDUSTRIES LIMITED**(Amt. In Lac)****Notes to the Standalone Financial Statement for the year ended March 31, 2023****Note No. 6**

| CASH & CASH EQUIVALENT | | AS AT | AS AT |
|-----------------------------------|----------------------------|-----------------------|-----------------------|
| | | MARCH 31, 2023 | MARCH 31, 2022 |
| A | Balances with banks | | |
| 1 | Cash on hand | 20.09 | 6.06 |
| 2 | Cheque in Hand | - | - |
| Total in ` | | 20.09 | 6.06 |

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

| | | | |
|-------------------|---|----------|----------|
| 1 | Advance to Suppliers to related parties | - | - |
| 2 | Cheque in Hand | - | - |
| 3 | Securities Deposits | - | - |
| Total in ` | | - | - |

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

| | | | |
|---------------------------------------|----------------------|--------------|--------------|
| 1 | Advance to Suppliers | - | 3.98 |
| Balance With Govt. Authorities | | | |
| 2 | Refund A.Y. 2022-23 | 2.94 | - |
| 3 | GST Credit Ledger | 9.57 | 20.54 |
| Total in ` | | 12.51 | 24.52 |

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

Note No. 9 :

(Amt. in LAC)

| Particulars | As at 31 March 2023 | | As at 31 March 2022 | | As at April 1, 2021 | |
|------------------------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | Number | | Number | | Number | |
| Share Capital | | | | | | |
| Authorised Share | | | | | | |
| Equity Shares of Rs. 1 each | 6,00,00,000 | 600.00 | 6,00,00,000 | 600.00 | 6,00,00,000 | 600.00 |
| Preference Shares of Rs. 10/- each | 10,00,000 | 100.00 | 10,00,000 | 100.00 | 10,00,000 | 100.00 |
| Issued and Subscribed | | | | | | |
| Equity Shares of Rs. 1 each | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 |
| Preference Shares of Rs. 10/- each | - | - | - | - | - | - |
| Paid Up | | | | | | |
| Equity Shares of Rs. 1 each | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 |
| Preference Shares of Rs. 10/- each | - | - | - | - | - | - |
| Total | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 | 5,54,08,000 | 554.08 |

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

| Name of Shareholder | Equity Shares | | | |
|----------------------------|---------------------|--------------|---------------------|--------------|
| | As at 31 March 2023 | | As at 31 March 2022 | |
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1 Kartar Finvest Pvt. Ltd. | 6600000 | 11.91 | 6600000 | 11.91 |
| 2 S. Gurdeep Singh | 4267000 | 7.70 | 4267000 | 7.70 |
| 3 S. Harpreet Singh | 4468100 | 8.06 | 4468100 | 8.06 |
| 4 S. Tarunjeet Singh | 2857500 | 5.16 | 2857500 | 5.16 |
| 5 S. Avtar Singh | 2927000 | 5.28 | 2927000 | 5.28 |

b. **Reconciliation of Equity Shares**

| Particulars | Equity Shares | | | |
|---|---------------------|--------|---------------------|--------|
| | As at 31 March 2023 | | As at 31 March 2022 | |
| | Number | Amount | Number | Amount |
| 1 Shares outstanding at the beginning of the year | 55408000 | 554.08 | 55408000 | 554.08 |
| 2 Shares issued during the year | 0 | 0.00 | 0 | 0 |
| 3 Shares bought back during the year | 0 | 0 | 0 | 0 |
| 4 Any other movement (please specify) | 0 | 0 | 0 | 0 |
| 5 Shares outstanding at the end of the year | 55408000 | 554.08 | 55408000 | 554.08 |

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

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

d) **Details of Shares held by Promoters AS ON 31.03.2023**

| Sr. No | SHARES HELD BY PROMOTORS AS ON 31.03.2023 | Equity Shares | | |
|--------|--|--------------------|--------------|---------------------------|
| | | No. of Shares held | % of Holding | % Changes during the year |
| | EQUITY SHARES | | | |
| 1 | S. Harpreet Singh | 44,68,100 | 8.06% | 0.00% |
| 2 | S. Gurdeep Singh | 42,67,000 | 7.70% | 0.00% |
| 3 | S. Avtar Singh | 29,27,000 | 5.28% | 0.00% |
| 4 | S. Tarunjeet Singh | 28,57,500 | 5.16% | 0.00% |
| 5 | S. Charan Preet Singh | 21,44,000 | 3.87% | 0.00% |
| 6 | Mrs. Tanu Preet kaur | 20,20,000 | 3.65% | 0.00% |
| 7 | Mrs. Kartar Kaur | 11,80,000 | 2.13% | 0.00% |
| 8 | Mrs. Ashwani Paul Kaur | 8,25,000 | 1.49% | 0.00% |
| 9 | Kartar Finvest Pvt. Ltd. | 66,00,000 | 11.91% | 0.00% |
| 10 | Preet Builders Pvt. Ltd. | 25,00,000 | 4.51% | 0.00% |
| 11 | Kartar Hotel Estate Pvt. Ltd. | 24,40,000 | 4.40% | 0.00% |
| 12 | The Khalsa Nirbhai Transport | 17,43,000 | 3.15% | 0.00% |
| 13 | Kartar Colonizers Pvt. Ltd. | 16,00,000 | 2.89% | 0.00% |
| 14 | Taksonz Developers And Infrastructure Ltd. | 8,50,000 | 1.53% | 0.00% |
| 15 | A.K Financial Consultants Pvt. Ltd. | 3,50,000 | 0.63% | 0.00% |

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

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

Note No. 10:

(Amt. in LAC)

| OTHER EQUITY | | AS AT | AS AT |
|-------------------|---|----------------|----------------|
| | | MARCH 31, 2023 | MARCH 31, 2022 |
| A | Security Premium | | |
| | Opening Balance | 204.00 | 204.00 |
| | Add: Share Premium on Shares Issued | - | - |
| | Closing Balance | 204.00 | 204.00 |
| B | Capital Reserve | | |
| | Opening Balance | 4.90 | 4.90 |
| | Add: Current Year Transfer | - | - |
| | Less: Written Back in Current Year | - | - |
| | Closing Balance | 4.90 | 4.90 |
| C | Depreciation Reserve | | |
| | Opening Balance | - | - |
| | Add: Current Year's Depreciation | - | - |
| | Less: Written Back | - | - |
| | Closing Balance | - | - |
| D | General Reserve | | |
| | Opening Balance | 22.00 | 22.00 |
| | Add: Current Year Transfer | - | - |
| | Less: Written Back in Current Year | - | - |
| | Closing Balance | 22.00 | 22.00 |
| E | Surplus (Profit & Loss Account) | | |
| | Opening Balance | 60.48 | 55.09 |
| | Add: Net Profit for the current year | - 102.53 | 5.39 |
| | Add: Earlier Year Adjustment(MAT A.Y. 2022-23) | 1.47 | - |
| | Less: Op. Balance of DTA | - | - |
| | Closing Balance | - 40.58 | 60.48 |
| F | Other Comprehensive Income | | |
| | Opening balance | - | - |
| | (Less): Changees during the year | - | - |
| | Closing Balance | - | - |
| Total in ` | | 190.32 | 291.38 |

Note No.11:

LONG TERM BORROWINGS (NON-CURRENT)

| | | | |
|----------|--|--------------|--------------|
| 1 | Secured Loans | | |
| 1 | Secured Loans | | |
| A | Term Loan (Car Loan) | 8.02 | 11.66 |
| | Less: Installments Due Next Year Shown as Current Liabilites | 4.90 | 4.90 |
| | (Sec. By Hyp. Of Car) | 3.12 | 6.76 |
| B | CECL | - | 2.83 |
| | Less: Installments Due Next Year Shown as Current Liabilites | - | 2.83 |
| | (Sec. by all current assets of the company) | - | - |
| C | GECL (COVID-19) | 73.01 | 85.78 |
| | Less: Installments Due Next Year Shown as Current Liabilites | 33.00 | 22.00 |
| | (Sec. by all current assets of the company) | 40.01 | 63.78 |
| D | Term Loan (for Machinery) | 97.14 | 109.53 |
| | Less: Installments Due Next Year Shown as Current Liabilites | 20.04 | 20.04 |
| | (Sec. By Hyp. Of new machinery installed) | 77.10 | 89.49 |
| E | WCTL | 47.70 | 50.36 |
| | Less: Installments Due Next Year Shown as Current Liabilites | 12.50 | 7.29 |
| | (Sec. by all current assets of the company) | 35.20 | 43.07 |

| PACT INDUSTRIES LIMITED | | | | |
|--------------------------------|--|---------------------|---------------|---------------|
| F | GECL 2.00 | | 52.87 | 55.35 |
| | <i>Less: Installments Due Next Year Shown as Current Liabilities</i> | | 13.75 | 8.02 |
| | (Sec. by all current assets of the company) | D | 39.12 | 47.33 |
| G | FITL | | 92.43 | 23.56 |
| | <i>Less: Installments Due Next Year Shown as Current Liabilities</i> | | 33.54 | - |
| | (Sec. by all current assets of the company) | D | 58.89 | 23.56 |
| | | A+B+C+D+E+F+ | | |
| | | G | 253.43 | 273.99 |
| | Total | | | |
| 2 | Unsecured Loans | | | |
| A | <i>Loans from directors & their relatives</i> | | 52.53 | 52.53 |
| | Total | | 305.96 | 326.52 |

Note:-

- Credit Limit has been restructured during the year vide sanctioned letter dt. 18.10.2021. Interest on Cash Credit Limit is trfd. To FITL for 2 years and the Installment of which will be start w.e.f. Sept. 2023.
- Credit Limit except of GECL1.00 and GECL 2.00 has been secured by Collateral securities also of commerical plot Msg. 1251.24 in the name of Mrs. Tanupreet Kaur W/o S. Harpreet Singh, director of the company
- Further secured by personal guarantee of S. Harpreet Singh, Taranpreet Kaur & S. Eshaan Singh and Corporate guarantee of Preet Builders P. Ltd. And Kartar Finvest P. Ltd.
- The company has made the default in repayment of some of the installments due in 2022-23 against the loan as mentioned in S.No. A,C,D,E and F and the bank has declared the credit facility as NPA (i.e. Non Performing Assets).
- No Interest has been booked after the date of NPA.

Notes to the Standalone Financial Statement for the year ended March 31, 2023

Note No. 12:

(Amt. in LAC)

| SHORT TERM BORROWINGS (CURRENT) | AS AT | AS AT |
|--|----------------|----------------|
| | MARCH 31, 2023 | MARCH 31, 2022 |
| 1 <u>Secured</u> | | |
| (a) Loans repayable on demand (Cash Credit Limit) | | |
| State Bank of India (C/C) | 658.08 | 654.54 |
| (b) State Bank of India (SLC) | 50.99 | 48.19 |
| <i>Current maturities of Long Term borrowing</i> | | |
| (c) Repayment of Term Loan | 117.73 | 65.08 |
| (Secured by First charge on all current assets by way of Hyp. of all types of stock & Receivables (present & future) and Equitable mortgage of commercial plot in the name of director .) | | |
| NOTE: The bank has declared the credit facility as NPA (i.e. Non Performing Assets) during 2022-23.. | | |
| Total | 826.80 | 767.81 |

Note No.13:

TRADE PAYABLES

a -Sundry Creditors for Materiel/Supplies:

| | | |
|-------------------------|---------------|---------------|
| Dues towards MSME Units | 455.39 | 113.71 |
| Other than MSME Units | 0.00 | 8.54 |
| Total in ` | 455.39 | 122.25 |

b Trade payable ageing

Trade Payables ageing schedule

| PARTICULARS | Outstanding for following periods from due date of payment | | | | |
|--------------------------|--|--------------|-------------|-------------------|---------------|
| | Less than 1 Years | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 360.400 | 94.99 | 0.00 | 0.00 | 455.39 |
| (ii) Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iii) Disputed Due-MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) Disputed Due-Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 360.40 | 94.99 | 0.00 | 0.00 | 455.39 |

Note:- The company has paid the payments beyond the limit sepecified MSME Act, but neither paid any interest nor made provision of interest to be paid during the year 2022-23.

Note No. 14 :

OTHER FINANCIAL LIABILITIES

| | | |
|-----------------------------------|-------------|-------------|
| 1 Cheque issued but not presented | - | - |
| 2 Expenses Creditors | 5.50 | 4.51 |
| Total in ` | 5.50 | 4.51 |

Note No. 15 :

OTHER CURRENT LIABILITIES

| | | |
|--------------------------|----------|-------------|
| 1 Advance from Customers | - | 1.89 |
| Total in ` | - | 1.89 |

Note No. 16 :

SHORT TERM PROVISIONS

1 Provision For Employees Benefit

| | | |
|--------------------------|--------------|--------------|
| Salary payable | 23.03 | 9.95 |
| OTHERS | | |
| RCM/ GST Payable | 0.18 | - |
| Audit Fees Payable | 0.76 | 0.76 |
| TDS Payable | 1.80 | 2.83 |
| TCS Payable | 2.58 | 0.67 |
| Electricity Exp. Payable | - | 0.42 |
| Professional Tax Payable | 0.17 | 0.12 |
| Rent Payable | 1.71 | 1.46 |
| Telephone Exp. Payable | - | 0.03 |
| Total in ` | 30.23 | 16.24 |

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

(Amt. In Lac)

Note No.17:

| REVENUE FROM OPERATIONS | | AS AT MARCH 31, 2023 | AS AT MARCH 31, 2022 |
|-------------------------|----------------------|-------------------------|-------------------------|
| 1 | Sales & Other Income | 2,294.38 | 2,830.09 |
| Total in ` | | 2,294.38 | 2,830.09 |

Note No.18:

| OTHER INCOME | | | |
|-------------------|--------------------------------|-------------|--------------|
| 1 | Commission | - | 35.79 |
| 2 | Rebate & Discount | 3.75 | 2.19 |
| 3 | Interest Income | - | 0.21 |
| 4 | Profit on sale of Fixed assets | - | 0.22 |
| Total in ` | | 3.75 | 38.41 |

Note No. 19:

COST OF MATERIAL CONSUMED

DIRECT/PRODUCTIONS EXPENSES/TRADED

| | | | |
|--------------------------|---------------------|--------------|---------------|
| | Opening Stock | 43.15 | 19.15 |
| 1 | Purchase | 37.93 | 230.99 |
| | Less: Closing Stock | 48.76 | 43.15 |
| | | | - |
| Material Consumed | | 32.32 | 206.99 |

Note No. 20:

CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN

1 Inventories (Op. Stock)

| | | | |
|------------------|----------------|---------------|---------------|
| | Finished Goods | 25.49 | 22.00 |
| | Traded Goods | 684.24 | 670.10 |
| | WIP | 17.16 | 14.15 |
| | Scrap | 5.50 | 2.94 |
| Total (A) | | 732.39 | 709.19 |

2 Inventories (Closing Stock)

| | | | |
|-------------------------|----------------|----------------|---------------|
| | Finished Goods | 38.57 | 25.49 |
| | Traded Goods | 634.17 | 684.24 |
| | W-I-P | 4.91 | 17.16 |
| | Scrap | 8.12 | 5.50 |
| Total (B) | | 685.77 | 732.39 |
| Total in ` (A-B) | | 46.62 - | 23.20 |

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

(Amt. In Lac)

Note No.21:

MANUFACTURING EXPENSES

| | | AS AT MARCH 31, 2023 | AS AT MARCH 31, 2022 |
|------------------------|-----------|-------------------------|-------------------------|
| A Opening Stock | | | |
| Consumeables Stores | | 12.13 | 10.95 |
| Add : Purchase | | 0.15 | 24.50 |
| Less:- Closing Stock | | 5.16 | 12.13 |
| Consumption | A. | 7.12 | 23.32 |
| B | | | |
| Cartage Inward | | - | - |
| Electricity Chagres | | 4.48 | 4.97 |
| Generator Exp. | | - | 0.85 |
| Outside Labour | | - | 0.33 |
| Wages Expenses | | 4.61 | 9.25 |
| | B. | 9.09 | 15.40 |
| TOTAL A +B | | 16.21 | 38.72 |

Note No. 22:

EMPLOYEE BENEFIT EXPENSES

| | | | |
|---|-------------------------|--------------|--------------|
| 1 | Salaries and incentives | 6.20 | 8.44 |
| 2 | Directors Remuneration | 7.20 | 7.20 |
| | Total in ` | 13.40 | 15.64 |

Note No. 23:

FINANCE COST

| | | | |
|---|----------------------------|---------------|--------------|
| 1 | Bank Charges | 2.28 | 5.55 |
| 2 | Bank Interest on C/C & SLC | 89.16 | 41.51 |
| 3 | Bank Intt. on Loan | 30.30 | 28.67 |
| | Total in ` | 121.74 | 75.73 |

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

Note No. 24:

| ADMINISTRATIVE EXPENSES | AS AT | (Amt. In Lac) |
|--------------------------------|-----------------------|---------------------------------|
| | MARCH 31, 2023 | AS AT MARCH 31, 2022 |
| 1 AGM Exp. | 0.08 | 0.10 |
| 2 Audit Fees | 0.85 | 0.85 |
| 3 Conveyance Exp. | 0.18 | 0.18 |
| 4 Depository Charges | 0.23 | 0.51 |
| 5 Fees & Taxes | 0.78 | 0.70 |
| 6 General Expenses | 0.19 | 0.44 |
| 7 Insurance | 0.70 | 0.92 |
| 8 Legal & Professional Charges | 0.42 | - |
| 9 Late deposit of Tax and GST | 3.43 | 0.36 |
| 10 Listing Fees | 0.55 | - |
| 11 Printing & Stationery | 0.04 | 0.17 |
| 12 Professional Charges | 1.82 | 1.95 |
| 13 Rent | 7.84 | 7.62 |
| 14 RTA Charges | 0.06 | 0.02 |
| 15 Telephone Expenses | 0.18 | 0.37 |
| Total in ` | 17.35 | 14.19 |

Note No. 25:

| SELLING & DISTRIBUTION EXPNESES | | |
|--|----------|-------------|
| 1 Advertisement Expenses | - | 0.08 |
| Total in ` | - | 0.08 |

Note No. 26:

| REPAIR & MAINTANANCE | | |
|---------------------------------|-------------|-------------|
| 1 Car & maintenance | 0.86 | 1.08 |
| 2 Building Repair | - | 0.33 |
| 3 Machinery Repair | - | 0.53 |
| 4 Truck Repair & Running Exp. | 0.95 | 2.55 |
| Total in ` | 1.81 | 4.49 |

Note No. 27:

| DEPRECIATION & AMORTIZATION EXPENSES | | |
|---|--------------|--------------|
| 1 Depreciation | 13.47 | 13.78 |
| 2 Preliminary Exp. W/off | 7.21 | 7.21 |
| Total in ` | 20.68 | 20.99 |

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

PACT INDUSTRIES LIMITED

Notes to the Standalone Financial Statement for the year ended March 31, 2023

Note No. 28:

| | (Amt. In Lac) | |
|---|----------------|----------------|
| A. TAXATION | AS AT | AS AT |
| | MARCH 31, 2023 | MARCH 31, 2022 |
| Income Tax as recognised in the statement of P/L account | | |
| Current Tax | - | 1.53 |
| Deffered Tax | 23.05 | 2.52 |
| Total Income Tax Expenses recognised during current year | 23.05 | 4.05 |
| B. RECONCILIATION OF TOTAL TAX EXPENSES | | |
| Reconciliation of profit before tax to taxable profit | - | 79.48 |
| Add: Exp. not deductible in determining the taxable profit | | - |
| Less: Difference of depreciation | 8.93 | 12.79 |
| Add: Expenses to be add back in determining the taxable profit | 3.48 | 0.36 |
| Less: Profit on sale of F.A. Exempted Income | - | 0.22 |
| TAXABLE PROFIT /(Loss) | - 84.93 | - 3.21 |
| Income Tax expenses at effective rate | - | - |
| Income Tax under MAT | - | 1.53 |
| Effective rate of Tax MAT | 15.60% | 15.60% |
| Effective rate of Tax | 26% | |
| Average Rate of Tax on Total Net Profit | - | 16.19 |
| Total Income Tax Expenses recognised during current year | - | 2 |
| C. RECONCILIATION OF DEFERRED TAX ASSETS/LIABILITIES | | |
| Deffered Tax assets relates to Fixed Assets | 6.64 | 2.52 |
| Deffered Tax assets relates to Loss | 31.07 | - |
| Total Income Tax Expenses recognised during current year | 6.64 | 2.52 |

Note No. 29:

| EARNING PER SHARE | | |
|--|-------------|-------------|
| Net profit after tax available for Equity Shareholders | - | 103 |
| Weighted Average number of Equity shares | 5,54,08,000 | 5,54,08,000 |
| Basic Earning Per Share in Rs. | - | 0.19 |
| Diluted Earning Per Share in Rs. | - | 0.19 |

NOTES TO ACCOUNTS

30. RELATED PARTY TRANSACTIONS (IND AS-24):-

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

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

1. Key Management Personnel:

- i) S. Harpreet Singh, Mg. Director
- ii) Smt. Jasjeet Kaur
- iii) S. Eshaan Singh Takkar, Director
- iv) Sh. Sunil Rana, Director resigned w. e. f. 30.12.2022
- v) Sh. Sanjay Jain, CFO (KMP)

2. Relatives of Key Management Personnel

S. Charanpreet Singh, S. Gurdeep Singh, Smt. Tanupreet Kaur, Smt. Kartar kaur, S. Tarunjeet Singh, S. Parav Singh

B. Associates Concerns :-

The company has provided the detail of those concerns with whom the transaction has been made during the year 2022-23.

Kartarz Alloys P. Ltd (S.Harpreet Singh and Eshaan Singh are director)
M/s Pact Automobiles, (S. Eshaan Singh is partner)
Preet Builders Pvt. Ltd (S.Harpreet Singh is director)
M/s Preet Steel, Ludhiana ,(a unit of Preet Builders Pvt. Ltd.)
Taksonz Developers & Infrastructure Limited
Kartar Finvest Pvt. Ltd.

TRANSACTION WITH RELATED PARTIES:-**(Amt. in Lac)**

| Nature of Transactions During the year | Associate | Key Management Personnel | Relatives of Key Management Personnel |
|--|----------------------|--------------------------|---------------------------------------|
| Remuneration | 0.00 (0.00) | 7.20 (7.20) | 6.00 (6.00) |
| Rent Paid | 0.95 (4.03) | 0.00 (0.00) | 0.00 (0.00) |
| Adv. Given | 0.00 (0.00) | 0.00 0.00 | 0.00 (0.00) |
| Sale of Goods | 1898.93 (1619.56) | 0.00 (0.00) | 0.00 (0.00) |
| Purchase of Goods | 1852.24 (1760.02) | 0.00 (0.00) | 0.00 (0.00) |
| Reimbursement of Exp. | 15.39 (0.00) | 0.00 (0.00) | 0.00 (0.00) |
| Remuneration to Company Secretary | 0.00 (0.00) | 0.00 (0.22) | 6.00 (6.00) |

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

Sale & purchase given above is net of GST & Taxes

31. CONTINGENT LIABILITIES**2022-23** **2021-22**

| | | |
|---|------|------|
| a. Claims against the company not acknowledged as debts | NIL | NIL |
| b. Contingent Liabilities not provided for | 0.00 | 0.00 |
| c. Estimated amount of contracts remaining to be executed | NIL | NIL |

32. FOREIGN TRANSACTION (IND-21):

The company has not Import any material during the year 2022-23. (Pr. NIL)

33. OPERATING SEGMENT INFORMATION (IND-108):

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

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

35. PAYMENT TO AUDITORS:**PARTICULARS****CURRENT YEAR****PREVIOUS YEAR**

| | | |
|---------------------|------|------|
| Statutory Audit Fee | 0.60 | 0.60 |
| Income Tax Matter | 0.25 | 0.25 |

36. Break up value of exp. incurred on employees who:

| | | |
|--|-----|-----|
| (a) if employed for one or more than one full year were in receipt of remuneration which, in aggregate was not less than Rs. 60 Lac | NIL | NIL |
| (b) if employed for a part of the year were in receipt of remuneration which, for any month of that year was not less than Rs. 5 Lac | NIL | NIL |

37. As the net worth, sale and net profit of the company is less than the limits prescribed during the current year so section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility is not applicable to the company.
38. Previous year figure have been regrouped and/or reclassified, wherever necessary. Comparative figures of P.Y. 2021-22 also mentioned in Lac whereas it was in '000' during the 2021-22.
39. The company has made a advance of Rs. 61.53 Lac during 2019-20 for the purchase of Land to the related party which is still O/S and purchased deed yet to be executed .
40. The company has not made a provision for listing fees for Rs. 3 Lac app. to be paid to stock exchange for the year 2022-23.
41. The company has receivable for 122.03 Lac app. more than 3 years and expects no impairment in realizable amount so no provision for ECL has been made during 2022-23.
42. The Company has no immoveable property held in the name of other than the company. Further neither any proceeding has been initiated nor pending against the company for holding any Benami property under the Benami transaction (Prohibition) Act, 1988 and rules made there under.
43. The company has no intangible assets so not revalued any intangible assets during the year 2022-23.
44. The company is not declared as willful defaulter by any bank or financial institutions or other lender. However the credit facility becomes NPA as declared by the bank .
45. The company has not transacted any transaction with any Struck off companies during the year 2022-23.
46. The charge against sanctioned letter dt. 18.10.2021 is yet to be registered /modified with The Registrar of Companies .
47. The company has not made any arrangement in terms of section 230 to 237 of The Companies Act 2013 during the year under review.

48. The company has not traded or invested in Crypto Currency or Virtual Currency during the year under review.
49. There was no transaction relating to previously unrecorded income that have been surrender or disclosed as income during the year in the tax assessment under The Income Tax Act 1961. However the Income Tax case for A.Y. 2016-17 and 2017-18 reopened by The I.T. Department and demand of Rs. 33.26 Lac and 59.05 Lac has been raised.
50. The company has claimed the deferred interest of Rs. 15.03 Lac related to F.Y. 2021-22 during the year 2022-23 as an expenses.
51. The bank has declared the credit facility availed by the company as a NPA (i.e. Non performing Assets) during the year 2022-23 due to non-repayment of installments etc.

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

- a) *Cash credit/SLC limit is secured by first charge on all current asset by way of Hyp. Including raw material , stock in progress, finished stock, stores & spares and receivable etc. (both present and future) of the company.*
- b) *Term loan for machinery is secured against new machinery installed.*
- c) *GECL ,FITL ,WCTL and CECL – Secured all current assets as mentioned in (a) supra*
- d) *Car loan is secured by Hyp. Of Car.*

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

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

53. The trading of shares of the company has been suspended on the Stock Exchange.
54. **GRATUITY**:- No provision has been made for 2022-23.
55. **AMORTIZATION** :- The company has amortized 1/5th of the preoperative expenses during the year 2022-23 Rs. 7. 21 Lac.
56. **DISCLOSURE OF INTEREST IN OTHER ENTITIES (IND AS-112)**:-

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

57. The company has trade payables /creditors as below:-

| | | |
|-----|-----------------------------|--------|
| i. | Dues towards MSME | 455.39 |
| ii. | Due towards other than MSME | 0.00 |

Out of dues towards MSME, amount Rs. 328.05 Lac is due for more than 45 days outstand as on 31st March 2023 and no provision has been made for interest on it.

58. TDS/TCS books in books is subject to tally with 26AS.

59. Interest amount 15.03 Lac deferred in P.Y. 2021-22 has been claimed in F.Y. 2022-23.

60. **RATIO ANALYSIS :**

The ratio analysis for the F.Y.2022-23 and 2021-22 along with the formula adopted is given below . The variation and the reason for the variation if in excess of 25% is also explained .

| <u>Sr. No.</u> | <u>Particulars</u> | <u>31.03.2023</u> | <u>31.03.2022</u> | <u>VARIATION%</u> |
|----------------|----------------------------------|-------------------|-------------------|-------------------|
| 1 | Current Ratio | 1.63 | 1.98 | -17.78 |
| 2 | Debt Equity Ratio | 0.57 | 1.47 | 22.88 |
| 3 | Debt Service Coverage Ratio | 0.25 | 0.71 | -65.30 |
| 4 | Return on Equity Ratio | 0.185 | 0.009 | -2002.08 |
| 5 | Inventory Turnover Ratio | 2.88 | 3.57 | -19.28 |
| 6 | Trade Receivables Turnover Ratio | 1.94 | 2.81 | -30.13 |
| 7 | Trade Payables Turnover Ratio | 7.43 | 7.37 | -50.18 |
| 8 | Net Capital Turnover Ratio | 2.75 | 3.20 | -12.71 |
| 9 | Net Profit Ratio | -0.447 | 0.002 | -2446.71 |
| 10 | Return on Capital Employed | 0.039 | 0.10 | -45.85 |
| 11 | Return on Investment | 0.00 | 0.00 | 0.00 |

Note:- The company has not made any investment in marketable securities, so ratio is nil.

Reason for variation:-

1. DSCR ratio decreased due to loss suffered during 2022-23 as compared to P.Y. 2021-22.
2. Return on equity decreased due to loss suffered during 2022-23 as compared to Profit for P.Y. 2021-22.
3. Trade receivable turnover ratio decreased to low sale during 2022-23 as compared to P.Y. 2021-22.

4. Trade Payable Turnover ratio decreased due to increased in trade payable during 2022-23 as compared to P.Y. 2021-22.
5. The variation in net profit ratio is due to loss suffered during 2022-23 as compared to profit during 2021-22.
6. The variation in return on capital employed is due to net loss suffered during the year 2022-23 as compared to profit during the F.Y. 2021-22.

FORMULA FOR COMPUTATION OF RATIOS ARE AS FOLLOWS:

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

61. **APPROVAL OF FINANCIAL STATEMENTS**

The finance statements were approved for issue by the Board of Directors on 30.05.2023.

For & on Behalf of the Board of Directors

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

(HARPREET SINGH) (ESHANN SINGH) (SANJAY JAIN)
MG. DIRECTOR DIRECTOR CFO (KMP)
DIN:00570541 DIN: 07194501 PAN:AAAQPJ0106J

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

Place : LUDHIANA

Dated : 30.05.2023

OPERATING SEGMENT INFORMATION:

ANNEXURE-I

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

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprises as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Un -allocable".
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".
- (i) As per Ind AS on Segment Reporting (Ind AS 108) "Operating Segment Reporting", the Company has reported segment information as per sheet enclosed.
- (ii) Further explained that the Rebate & Discount, Interest, Income has been disclosed as un-allocable.
- (iii) As the company is not maintaining the separate books of accounts so the segment assets & liabilities has been disclosed as un-allocable .

SEGMENT REPORTING FOR THE YEAR ENDING 31.03.2023**(Amt in Lac)**

| PARTICULARS | TRADING OF STEEL & IRON | TRADING OF TEXTILE/ GARMENTS | MFG. | UNALLOCABLE | TOTAL |
|---|-------------------------------|---------------------------------------|-------|-------------|---------|
| 1 SEGMENT REVENUE | | | | | |
| Gross Turnover | 1836.14 | 394.38 | 63.86 | 3.75 | 2298.13 |
| Net Turnover | 1836.14 | 394.38 | 63.86 | | |
| 2 <u>SEGMENT RESULT</u> | | | | | |
| <u>PROFIT BEFORE INTEREST & TAXES</u> | | | | 42.26 | 42.26 |
| Less: Interest Expense | | | | 121.74 | 121.74 |
| Add: Exceptional Item | | | | 0 | 0 |
| Profit Before Tax | | | | -79.48 | -79.48 |
| Current Tax | | | | 0.00 | 0.00 |
| Deferred Tax (Assets) | | | | 23.04 | 23.04 |
| Profit After Tax | | | | 102.52 | 102.52 |
| 3 <u>Other Information</u> | | | | | |
| Segment Assets | | | | 2152.17 | 2152.17 |
| Segment Liabilities | | | | 1571.35 | 1571.35 |
| Capital Expenditure | | | | 0.70 | 0.70 |
| Depreciation | | | | 13.47 | 13.47 |
| Non Cash Expense | | | | 22.24 | 22.24 |

PACT INDUSTRIES LIMITED

31.03.2023

31.03.2022

| | | 31.03.2023 | | 31.03.2022 | Variation |
|----|------------------------|---|---|---|-----------|
| 1 | Current Ratio : | $\frac{CA}{CL}$ | $\frac{215217479.67}{131791501.27}$ 1.63 | $\frac{180904956.94}{91081568.65}$ 1.99 | -17.78 |
| 2 | Debt Equity Ratio : | $\frac{Total Liabilities}{Shareholder Fund}$ | $\frac{165117473.50}{74440220.02}$ 2.22 | $\frac{124159791.44}{84545785.55}$ 1.47 | 51.04 |
| 3 | DSCR : | $\frac{Intt. +NP+Dep}{Intt. + Installment}$ | $\frac{3988758.91}{14230405.74}$ 0.28 | $\frac{10211694.97}{14081754.05}$ 0.73 | -61.35 |
| 4 | Return on Equity Ra : | $\frac{Net Income}{Shareholder Equity}$ | $\frac{-10252801.53}{55408000.00}$ -0.185 | $\frac{539029.75}{55408000.00}$ 0.010 | -2002.08 |
| 5 | Inventory Turnover : | $\frac{Cost of goods Sold}{Av. Inventory}$ | $\frac{220263949.77}{76368193.55}$ 2.88 | $\frac{272794671.83}{76348136.13}$ 3.57 | -19.28 |
| 6 | Trade Receivable Tl : | $\frac{Net Credit Sale}{Av. Account recoverable}$ | $\frac{229438297.00}{118307943.17}$ 1.94 | $\frac{283008761.00}{101956702.34}$ 2.78 | -30.13 |
| 7 | Trade Payable Turn : | $\frac{Net Credit Purchase}{Av. Account Payable}$ | $\frac{210748383.19}{28881951.26}$ 7.297 | $\frac{250542911.29}{18553043.85}$ 13.504 | -45.97 |
| 8 | Net Capital Turnove : | $\frac{Total Sale}{NWC}$ | $\frac{229438297.00}{83425978.40}$ 2.75 times | $\frac{283008761.00}{89823388.29}$ 3.15 times | -12.71 |
| 9 | Net Profit Ratio : | $\frac{Net Profit after Tax}{Net Sale}$ | $\frac{-10252801.53}{229438297.00}$ -0.0447 | $\frac{539029.75}{283008761.00}$ 0.0019 | -2446.19 |
| 10 | Return on capital Er : | $\frac{Earning before interest \& tax}{Capital Employed}$ | $\frac{4225353.65}{107766192.25}$ 0.039 | $\frac{8517252.69}{117624008.34}$ 0.072 | -45.85 |

PACT INDUSTRIES LIMITED

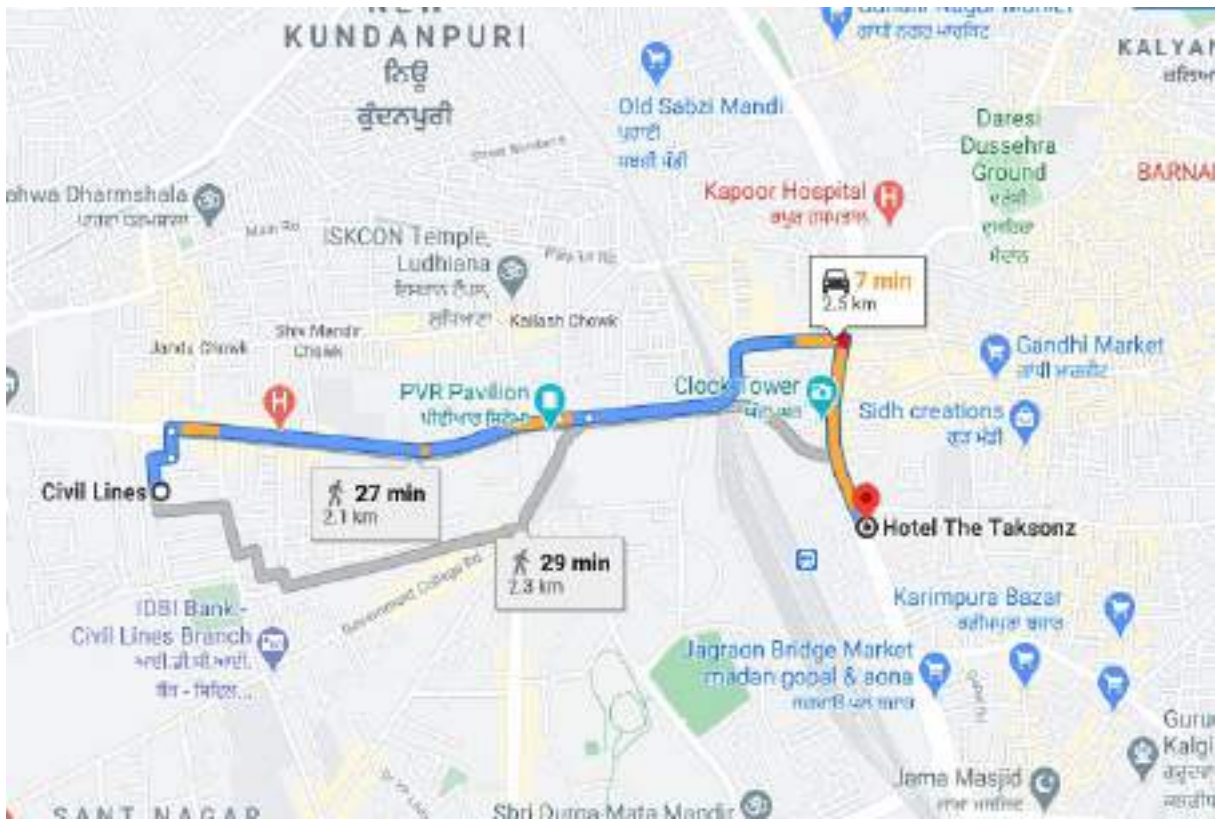
Trade Receivables ageing schedule as on 31.03.2023

(Amt. In Lac)

| PARTICULARS | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-----------------|---------------|---------------|-------------------|----------------|
| | Less than 6 Months | 6 Months-1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) Undisputed Trade receivables considered good | 309.07 | 235.86 | 268.60 | 442.46 | 122.03 | 1378.02 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| (iii) Undisputed Trade Receivables – credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| (iv) Disputed Trade Receivables–considered good | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| (vi) Disputed Trade Receivables – credit impaired | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 0.00 |
| Total Billed | 309.07 | 235.86 | 268.60 | 442.46 | 122.03 | 1378.02 |

Route map to the venue of the 30th AGM of Pact Industries Limited

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





ATTENDANCE SLIP

Cut here

Member's Folio No

Client ID No.

DP ID No.

Name of the Member

Name of Proxy holder

No of shares held

I hereby record my presence at the 30th Annual General Meeting of the Company held on Thursday, 28th day of September, 2023 at 02:00 P.M at the Registered Office of the Company at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008.

| No. | Resolution | For | Against |
|-----|--|-----|---------|
| 1. | To receive, consider and adopted audited financial statements along with reports of the Board of Directors and Auditors thereon for the financial year ended 31st March, 2023. (Ordinary Resolution) | | |
| 2. | To consider the appointment of Mr. Harpreet Singh (DIN: 00570541), who retires by rotation and being eligible, offers himself for reappointment (Ordinary Resolution). | | |
| 3. | Reappointment of Statutory Auditor for the Second Term(Special Resolution). | | |
| 4. | To Approve Related Party Transaction (Special Resolution). | | |
| 5. | Regularisation of Appointment of Ms. Sushneet Kaur as Non-executive, Independent Director of the Company(Ordinary Resolution) | | |
| 6. | Regularisation of Appointment of Mr. Eshaan Singh Takkar as a Non-Executive Director of the Company(Ordinary Resolution) | | |

Signature of Member/Proxy

Notes :

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





PROXY FORM

Member's Folio No : _____

I/We _____ of
_____ in the district of
_____ being a member/members of **PACT INDUSTRIES
LIMITED**, hereby appoint _____ of
_____ in the district of
_____ or failing him/her _____ of
_____ in the district of
_____ as my/our proxy to vote for me/us on my/our behalf
at the 30th Annual General Meeting of the Company held on Thursday, 28th day of
September, 2023 at 02:00 P.M and at any adjournment thereof.

Signed this _____ day of _____ 2023.

Affix Re. 1/-
Revenue Stamp here

Note :

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

Signature of Member/Proxy



PACT INDUSTRIES LIMITED

L18101PB1993PLC013193

Registered Office: 303, Hotel The Taksonz,

Opp. Railway Station, Ludhiana-141008

Email: pactindustries1993@gmail.com

Website: www.pactindustries.in