



## Annual Report 2014-15



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



## PACT INDUSTRIES LIMITED

### **BOARD OF DIRECTORS**

Mr. Avtar Singh  
Mr. Gurdeep Singh  
Mr. Harpreet Singh  
Mr. Narinderjit Singh  
Mr. Amandeep Singh  
Mrs. Jasjeet Kaur

### **DESIGNATION**

Chairman  
Managing Director  
Managing Director  
Director  
Director  
Additional Director

### **KEY MANAGERIAL PERSONNEL**

Company Secretary  
Ms Sakshi Sharma

### **BANKERS**

State Bank of India  
Overseas Branch  
Ludhiana

### **STATUTORY AUDITORS**

Rajesh Mehru & Co.  
Chartered Accountants,  
2761/II, Gurdev Nagar,  
Imperial Hotel Street,  
Ludhiana

### **REGISTERED OFFICE/ WORKS**

303 Hotel The Taksonz  
Opp. Railway Station  
Ludhiana  
Punjab

### **REGISTRAR & SHARE TRANSFER AGENT**

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

<b>S. No.</b>	<b>Contents</b>	<b>Page No.</b>
1.	Notice	1-5
2.	Director's Report	6-22
3.	Report On Corporate Governance	23-30
4.	Auditor's report	31-34
5.	Balance Sheet	35
6.	Profit & Loss Account	36
7.	Cash Flow Statement	37
8.	Schedules	38-50
9.	Proxy Form & Attendance Slip	



## PACT INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of the Company will be held on Wednesday the 30<sup>th</sup> day of September, 2015 at 3:00 p.m. at the Registered Office of the company situated at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana to transact the following business:-

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors.
2. To appoint a director in place of Mr. Avtar Singh (DIN -00570465) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Narinderjit Singh (Din- 01368026) who retires by rotation and being eligible offers himself for re-appointment.
4. **Appointment of Statutory Auditors of the Company**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of M/s. Rajesh Mehru & Co., Chartered Accountants, as the Statutory Auditors of the Company starting from conclusion of the 21<sup>st</sup> Annual General Meeting till the conclusion of 24<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 be and is hereby ratified at the 22<sup>nd</sup> Annual General Meeting to conduct Audit for Financial year 2015-2016 of the Company at such remuneration as may be finalized by the Chairman and Managing Director of the Company."

#### **SPECIAL BUSINESS**

5. **To appoint Mrs. Jasjeet Kaur as Woman Independent Director**

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

**"RESOLVED** that pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") read with Schedule IV to the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Jasjeet kaur (DIN 07130910) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 25<sup>th</sup> March, 2015 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from her proposing her candidature for the office of Director, be and is hereby appointed as an women Independent Director of the Company, not liable to retire by rotation for a term of consecutive Five years from the date of this Annual General Meeting to the conclusion of 27<sup>th</sup> Annual General Meeting of the company.

BY THE ORDER OF THE BOARD

PLACE: LUDHIANA  
DATE: 04.09.2015

-sd/-  
(DIVYA KHANNA)  
Company Secretary)



## PACT INDUSTRIES LIMITED

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 26<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (both days inclusive).
4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
5. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
8. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
9. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically.

In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Director's Report etc and other communications in electronic form.

The Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar & Transfer Agent, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED., New Delhi (in case of shares held in physical form)

10. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their mail addresses, physical copies of the Annual Report 2014-15 are being sent by permitted mode.
11. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on 27th September, 2015 (9:00 am) and ends on 29th September, 2015 (5:00 pm). During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015 may cast their vote



## PACT INDUSTRIES LIMITED

electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 29th September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii)** The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (sequence no. is mentioned on address sticker) in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB#	Enter the date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Demat Account Folio Number in the Dividend Bank Details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (EVSN) for PACT INDUSTRIES LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



## PACT INDUSTRIES LIMITED

- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September, 2015 may follow the same instructions as mentioned above for e-Voting.
- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. M/s. Pooja M. Kohli & Associates, Company Secretaries have 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 E-voting period, 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.
13. The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website [www.pactindustries.com](http://www.pactindustries.com) and on the website of CDSL and will be communicated to the stock exchanges.
14. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

BY THE ORDER OF THE BOARD

PLACE: LUDHIANA  
DATE: 04.09.2015

-sd/-  
(DIVYA KHANNA)  
Company Secretary



## PACT INDUSTRIES LIMITED

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

#### Item no. 5

The Board of Directors of the Company in their meeting held on 25th March, 2015 had appointed Mrs. Jasjeet Kaur as an Additional Director of the Company pursuant to Section 161 (1) of the Companies Act, 2013 and Articles of Association of the Company. She will hold office upto the date of ensuing Annual General Meeting.

The Company has received requisite notice in writing from a member proposing appointment of Mrs. Jasjeet Kaur as candidate for the office of Independent Director of the Company for a term of consecutive five years starting from the date of this Annual General Meeting to the conclusion of 27th Annual General Meeting of the Company.

The Company has also received consent from Mrs. Jasjeet Kaur and also declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement with the Stock Exchanges.

Mrs. Jasjeet Kaur is Independent of the management and in the opinion of the Board fulfills the conditions specified in the Companies Act, 2013 and rules made there under for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mrs. Jasjeet Kaur is provided at the end of this statement.

The Board recommends the Ordinary Resolution as set out at item number 5 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5.

Information Pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting.

<b>Name of the Director</b>	<b>Mrs. Jasjeet kaur</b>
DIN	07130910
Date of Birth	15.01.1973
Date of Appointment	25.03.2015
No. of Shares in PIL	Nil
Qualification	L.L.B
Directorships of other Companies as on 31st March, 2015	2
Chairmanship / Membership of other Committees of Companies as on 31st March, 2015	2
Relationship with other Directors	Not related to any director



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

Dear Fellow,

The Directors of your Company are presenting their 22<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of Pact Industries Limited for the year ended 31st March, 2015.

**1. FINANCIAL HIGHLIGHTS.**

The summary of the financial performance of the Company for the financial year ended March 31, 2015 compared to the previous year ended March 31, 2014 is given below:

Particulars	(in Lacs)	
	Year Ended March 31,2015	Year Ended March 31,2014
<b>Net Sales/Income</b>	<b>5156.59</b>	<b>5047.39</b>
<b>Gross profit before interest and depreciation</b>	<b>239.01</b>	<b>193.43</b>
<b>Finance cost</b>	<b>160.32</b>	<b>110.40</b>
<b>Profit before depreciation and amortisation- (Cash Profit)</b>	<b>78.69</b>	<b>83.03</b>
<b>Depreciation and Amortisation</b>	<b>57.85</b>	<b>63.12</b>
<b>PBT before exceptional items</b>	<b>20.84</b>	<b>19.91</b>
<b>Exceptional items</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit before Tax (PBT)</b>	<b>20.84</b>	<b>19.91</b>
<b>Provision for Tax- Current</b>	<b>8.39</b>	<b>5.86</b>
<b>Provision for Tax- Deferred</b>	<b>0.78</b>	<b>0.29</b>
<b>Profit after Tax</b>	<b>11.67</b>	<b>13.76</b>
<b>Earning per Share (EPS) (after exceptional item )</b>		
- Basic	<b>0.24</b>	<b>0.28</b>
- Diluted	<b>0.24</b>	<b>0.28</b>

**2. OPERATIONAL REVIEW :**

The net sale for the year is Rs.5156.59 as compared to Rs. 5047.39 lacs of previous year.

**3. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**3.1 Industry And Economic Scenario & Outlook**

Indian economic growth in 2014 rose to 5.2% from 4.7% last year as a result of the improving macro-economic situation. The wholesale and consumer price inflation has fallen to 4.2% and 7.4% from last year's 6.3% and 10.1% on the back of a strong base effect. However, the slow pace of reforms, lack of impetus for infrastructure projects, high interest rates and tightening of fiscal policies adversely impacted the capital goods sector. Industrial production / output was also sluggish. The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. With the coming of new Govt. in the Centre it is expected that the economy should grow in the coming years and the demand for and prices of textile products should improve which will enable the Company to regain steady or better performance.

**3.2 Opportunities And Threats**

**Opportunities:**

- a) Large, potential Domestic and International Market
- b) Product Development and Diversification to cater Global Needs
- c) Greater Investment and FDI opportunities are available.
- d) Industry has large and diversified segments that provide wide variety of products



**Threats:**

- a) Unfavourable Labour Laws
- b) High Indirect Taxes, Power and Interest Rates
- c) Unfavourable Government policies
- d) Lower Productivity in various segments
- e) To balance between Demand and Supply

### 3.3 Risk And Concerns

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The key business risks identified by the Company and its mitigation plans are as under.

**a) Risk related to Personnel**

Our business is increasingly dependent on the skills and competencies of our employees and management team. The general war for talent in our growing economy has created a substantial risk related to the retention of key personnel both in manufacturing and managerial levels. This risk is mitigated through effective HR policies relating to recruitment and retention and a proactive remuneration and rewards policy that is periodically reviewed at the highest management level.

With excellent performance track as well as best HR practices we are able to attract and retain people for growth of our business.

**b) Risk related to Safety**

The company has taken adequate insurance covers to indemnify the risks associated with the safety of personnel, building, stock and other infrastructure of the Company. These include:

1. Fire Insurance Policies.
2. Marine/ Transit Insurance Policies.
3. Theft Insurance Policies.
4. Other Miscellaneous Policies.

The company has also taken steps to strengthen IT security system as well as physical security system at all our locations

**c) Compliance Related Risks**

The Company is committed to being a responsible corporate citizen and respects the laws and regulations of the country. All the compliances under various laws applicable to the Company, including under Companies Act 1956/2013, Factories Act, Income Tax Act 1961 etc., are followed in Letter & Spirit.

### 3.4 Internal Control Systems And Their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman and Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.



### 3.5 Human Resources/ Human Resource Management.

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nurture this asset. Talent Management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. Your Company has kept a sharp focus on Employee Engagement.

### 4. TRANSFER TO RESERVE

The company has not transferred any amount in any reserve.

### 5. DIVIDEND

Directors are of the view that as the Expansion Programme has already been announced and to implement the capital-intensive plans together with loan repayment; these shall be made from operating surplus. The reserves & surplus of the Company have been kept intact to facilitate this purpose, so dividends have not been recommended for the year ending 31.03.2015 in the long term interest of the company.

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

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### 7. SHARE CAPITAL

The Authorised Capital of the Company is Rs.6,00,00,000 (Rupees Six Crore Only) comprising of 50,00,000 (Fifty Lakh) equity shares of Rs. 10/- each and 10,00,000(Ten Lakh) Redeemable Preference shares of Rs. 10/- each and paid-up Capital of the Company is Rs 5,94,08,000(Rupees Five Crore Ninety four Lakhs Eight Thousand Only) comprising of 49,40,800 (Forty Nine Lakh forty thousand Eight Hundred) equity shares of Rs. 10/- each and 10,00,000(Ten Lakh) Redeemable Preference shares of Rs. 10/- each. During the financial year 2013-14 company has allotted 10,00,000 preference shares of Rs. 10/- each on preferential basis.

#### 7.1 BUY BACK OF SECURITIES

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

#### 7.2 SWEAT EQUITY

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

#### 7.3 BONUS SHARES

No Bonus Shares were issued during the year under review.

#### 7.4 EMPLOYEES STOCK OPTION PLAN

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

### 8. FINANCE

#### 8.1 CASH AND CASH EQUIVALENT

**Cash and Cash** equivalent as at 31<sup>st</sup> March, 2015 is Rs. 50.14 lacs. 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 is no deposits are pending as on 31<sup>st</sup> March, 2015.

#### 8.3 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.

**9.1 No. Of Meetings Of The Board**

During the year Ten (10) Board Meetings and Four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**9.2 Policy On Director's Appointment And Remuneration.**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consists of 6 members, three of whom are executive and two are non-executive independent directors and one women director. The Board periodically evaluates the need for change in its composition and size.

Mr. Amarjit Singh resigned from the Directorship w.e.f. 25.02.2015 and Mrs. Jasjeet Kaur appointed as Women Director on 25.03.2015.

The Company has adopted Nomination and Remuneration policy for directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under the Companies Act, 2013 and clause 49 of the Listing Agreement. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company. The Nomination and Remuneration policy is explained in Corporate Governance Report.

**9.3 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 Clause 49 of the Listing Agreement

**9.4 Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**9.5 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.

**9.6 Re- Appointments**

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

**9.7 Retirements and Resignations**

During the year under review Mr. Amarjit Singh has resigned from the directorship of the company w.e.f. 25.02.2015 respectively.



**10. COMMITTEES OF THE BOARD**

**a) Audit Committee**

The Audit Committee was re - constituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement on 09.12.2014. Audit Committee includes Mr. Amarjit Singh (Chairman), Mr. Amandeep Singh (Member) and Mr. Narinderjit Singh Sethi (member). The term of reference and other details are given in Corporate Governance Report and forms part of this report.

Mr. Amarjit Singh resigned from the directorship of the company on 25.02.2015. Mr. Harpreet Singh is appointed as Chairman of the Committee on 25.02.2015 in place of Mr. Amarjit Singh.

**b) Nomination and Remuneration Committee**

The remuneration committee was renamed and reconstituted as Nomination and Remuneration Committee at a board meeting. The terms of reference of the committee are disclosed in Corporate Governance Report and forms part of this report.

**c) Corporate Social Responsibility Committee**

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company. So, the Company has not contributed towards it as Corporate Social Responsibility Committee is not applicable.

**d) Stakeholder Remuneration Committee**

The Stakeholders' Relationship Committee was constituted by the Board on consequent to the dissolution of the Share transfer cum Investors' Grievance Committee. This Committee includes Mr. Narinderjit Singh (Chairman) and Mr. Amandeep Singh (member). Term of reference and other details are given in Corporate Governance Report and forms part of this report.

**e) Risk Management Committee**

The Company has formed the Risk Management Committee with its members as Mr. Amandeep Singh (Chairman), Mr. Narinderjit Singh (member) and Mrs. Jasjeet Kaur (member) and the committee will perform its activities according to the Risk Policy finalized by the Board indicating the development and implementation of Risk Management.

**11. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.- Not applicable to Private Limited Company.

Internal financial control means the policies and procedures adopted by the Company 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.

- (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.



**12. AUDITORS**

**12.1 Statutory Auditors**

M/s Rajesh Mehru & Co., Chartered Accountants, were appointed as Statutory Auditors for a period of three years in the Annual General Meeting held on 30.09.2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**12.2 Secretarial Auditors**

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

**12.3 Internal Auditors**

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

**12.4 Cost Auditor**

The Cost Audit was not applicable on the Company during the Financial Year 2014-15 as per Companies (Cost record & audit) Rules, 2014.

**13. LISTING OF SECURITIES**

The Securities of the Company are listed on Bombay Stock Exchange Limited. The Company has paid annual listing fee to exchanges for the year 2015-16.

**14. 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.

**15. EXTRACT OF ANNUAL RETURN**

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

**16. VIGIL MECHANISM / WHISTLE BLOWER POLICY.**

The Company has a vigil mechanism named Fraud Risk Management Policy (FRM) to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

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

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The report of the Board in respect of the particular of contracts or arrangements with related parties referred to sub section (1) of Section 188 in form AOC-2 is annexed to this report in annexure- C

**19. CORPORATE GOVERNANCE**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from Practicing Company Secretary confirming compliance forms an integral part of this Report.



**20. 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 2014-15, no complaint were received by the Company related to sexual Harassment.

**21. 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"

**22. PARTICULARS OF EMPLOYEES**

The table containing the names and other particulars of employees in accordance with the provisions of 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 annexed to the *Board's report*.

Since there is no employee receiving remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, there is no information requires to be given under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014,

**23. 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.

**24. 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 statues, market forces and other associated and incidental factors may however lead to variation in actual results.



Annexure- A

**SECRETARIAL AUDIT REPORT FINANCIAL YEAR ENDED 31 MARCH, 2015  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 ('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 the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 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. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to all labour & industrial laws, The Competition Act, 2012, all environmental laws.



## PACT INDUSTRIES LIMITED

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

Company is depositing the statutory payments as required under Employee State Insurance Act, 1948 and The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Income Tax Act, 1961, Sales Tax Act, Wealth tax, Service tax, Customs Duty, Excise Duty.

### **We further report that**

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

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.

For Brij K. Tiwari & Associates

-sd/-

(Brij Kishore Tiwari)  
Proprietor Company Secretary in whole time practice  
C.P. No. 2831  
FCS: 4442

Place: Ludhiana  
Dated: 03.09.2015





## PACT INDUSTRIES LIMITED

### Annexure- B Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L18101PB1993PLC013193		
	Foreign Company Registration Number/GLN	N.A.		
	Registration Date [DDMMYY]	31/03/1993		
ii)	<b>Category of the Company</b>	Public Company		
iii)	<b>Sub Category of the Company</b>	Limited by shares		
iv)	Whether shares listed on recognized Stock Exchange(s)	Yes		
	If yes, details of stock exchanges where shares are listed	SN	Stock Exchange Name	Code
		1	Bombay Stock Exchange	A1
v)	AGM details-	22 <sup>nd</sup> AGM held on 30 <sup>th</sup> September, 2015 at 3:00 p.m. at Registered Office of the company at 303 Hotel The Taksonz, Opp. Railway Station, Ludhiana		
	Whether extension of AGM was granted – Yes / No. ( If yes, provide reference number , date of approval letter and the period upto which extension granted)	NO		
	If Annual General Meeting was not held, specify the reasons for not holding the same	NA		
vi)	NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:			
	Company Name	PACT INDUSTRIESLIMITED		
	Address	303 Hotel The Taksonz, Opp. Railway Station, Ludhiana		
	Town / City	Ludhiana		
	State	Punjab		
	Pin Code:	141008		
	Country Name :	India		
	Country Code	+91		
	Telephone (With STD Area Code Number)	0161-2845888, 2844888		
	Fax Number :	0161-2721876		
	Email Address	<a href="mailto:pactindustries1993@gmail.com">pactindustries1993@gmail.com</a>		
	Website	<a href="http://www.pactindustries.com/">http://www.pactindustries.com/</a>		
	Name of the Police Station having jurisdiction where the registered office is situated	Sadar, Ludhiana		



## PACT INDUSTRIES LIMITED

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.NO.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non Alloy Steel Ingots	27141	100%
2	knitted Cloth	17301	

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

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1618650	21100	1639750	33.19	1618450	21100	1639550	33.18	-0.01
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	1720000	308300	2028300	41.05	1720000	308300	2028300	41.05	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A)</b>	<b>3338650</b>	<b>329400</b>	<b>3668050</b>	<b>74.24</b>	<b>3338450</b>	<b>329400</b>	<b>3667850</b>	<b>74.23</b>	<b>-0.01</b>
<b>B. Public Shareholding</b>									
1. Institutions	0	0	0	0	0	0	0	0	0.00
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	0	0	0	0	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0.00



## PACT INDUSTRIES LIMITED

Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	84850	84850	1.72	73450	9900	83350	1.69	-0.03
i) Indian	0	0	0	0	0	0	0	0	0.00
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0	0	0	0	0	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8800	674000	682800	13.81	10400	672600	683000	13.82	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	179600	325400	505000	10.22	179600	326900	506500	10.25	0.03
c) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Non Resident Indians	0	0	0	0.00	0	0	0	0	0.00
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0	0.00
Clearing Members	0	0	0	0.00	0	0	0	0	0.00
Trusts	0	0	0	0.00	0	0	0	0	0.00
HUF	0	100	100	0.00	0	100	100	0	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0	0.00
<b>Sub-total (B)(2):-</b>	<b>188400</b>	<b>1084350</b>	<b>1272750</b>	<b>25.76</b>	<b>263450</b>	<b>1009500</b>	<b>1272950</b>	<b>25.76</b>	<b>0.00</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>188400</b>	<b>1084350</b>	<b>1272750</b>	<b>25.76</b>	<b>263450</b>	<b>1009500</b>	<b>1272950</b>	<b>25.77</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>3527050</b>	<b>1413750</b>	<b>4940800</b>	<b>100</b>	<b>3601900</b>	<b>1338900</b>	<b>4940800</b>	<b>100</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Awalpreet Kaur	21100	0.43	-	21100	0.43	-	-
2	Harpreet Singh	296600	6.00	-	296400	5.99	-	- 0.01
3	Tanu Preet kaur	52000	1.05	-	52000	1.05	-	-
4	Avtar Singh	142700	2.89	-	142700	2.89	-	-
5	Gurdeep Singh	426700	8.64	-	426700	8.64	-	-
6	Tarunjeet Singh	285750	5.78	-	285750	5.78	-	-
7	Charan Preet Singh	214400	4.34	-	214400	4.34	-	-
8	Ashwinder Paul Kaur	82500	1.67	-	82500	1.67	-	-
9	Kartar Kaur	118000	2.39	-	118000	2.39	-	-
10	Khalsa Nirbhai Transport company Pvt Ltd	269300	5.45	-	269300	5.45	-	-
11	Preet Builders Pvt Ltd	250000	5.06	-	250000	5.06	-	-
12	A.K. Financial Consultants Pvt Ltd	130000	2.63	-	130000	2.63	-	-
13	Kartar Hotel Estate Pvt Ltd	339000	6.86	-	339000	6.86	-	-
14	Kartar Finvest Pvt Ltd	660000	13.36	-	660000	13.36	-	-
15	Kartar Colonizers Pvt Ltd	200000	4.05	-	200000	4.05	-	-
16	Taksonz developers & Infrastructure Ltd	180000	3.64	-	180000	3.64	-	-
	<b>TOTAL</b>	<b>3668050</b>	<b>74.24</b>		<b>3667850</b>	<b>74.23</b>		<b>-0.01</b>



## PACT INDUSTRIES LIMITED

(iii) **Change in Promoters' Shareholding ( please specify, if there is no change)**  
**Change in Promoters' Shareholding during the year 2014-15.**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3668050	74.24	3668050	74.24
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-200 (Sell)	0.01	3667850	74.23
	At the end of the year	3667850	74.23	3667850	74.23

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Increase/Decrease during the year	Shareholding at the end of the year	
Paramjit Singh	24600	0.50	-	24600	0.50
Amandeep Singh	24500	0.50	-	24500	0.50
Takkar Financial Consultants Pvt Ltd	24500	0.50	-	24500	0.50
Tak Financial Consultants Pvt Ltd	24500	0.50	-	24500	0.50
Rajinder kaur	24500	0.50	-	24500	0.50
Jasvir kaur	24500	0.50	-	24500	0.50
C T Financial Consultants Pvt Ltd	24450	0.49	-	24450	0.49
Surinder Singh	24400	0.49	-	24400	0.49
Gurmeet Singh	24100	0.49	-	24100	0.49
Gurwinder Kaur	23500	0.48	-	23500	0.48

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

Shareholding of each Directors and each Key Managerial Personnel:	Shareholding at the beginning of the year		Increase/Decrease during the year	Shareholding at the end of the year	
Avtar Singh ( Director)	142700	2.89	-	142700	2.89
Gurdeep Singh (Managing Director, KMP)	426700	8.64	-	426700	8.64
Harpreet Singh(Managing Director, KMP)	296600	6.00	-0.01	296400	5.99
Amarjit Singh walia (Director)	Nil	Nil	-	Nil	Nil
Amandeep Singh (Director)	24500	0.49	-	24500	0.49
Narinderjit Singh (Director)	Nil	Nil	-	Nil	Nil
Jasjeet Kaur (Director)	Nil	Nil	-	Nil	Nil
Sakshi Sharma (KMP)	Nil	Nil	Nil	Nil	Nil

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:  
(In Lakh)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
i) Principal Amount	1006.84	199.87	-	1206.71
ii) Interest due But not paid	0.00	0.00	-	0.00
iii) Interest Accrued but not due	0.00	0.00	-	0.00
Total(i+ii+iii)	1006.84	199.87	-	1206.71



## PACT INDUSTRIES LIMITED

change in indebtedness during the financial year				
*Addition	0.00	0.00	-	0.00
*Reduction	0.00	0.00	-	0.00
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	1006.84	199.87	-	1206.71
ii) Interest due But not paid	0.00	0.00	-	0.00
iii) Interest Accrued but not due	0.00	0.00	-	0.00
Total(i+ii+iii)	1006.84	199.87	-	1206.71

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

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

Sr. No.	Particulars of Remuneration	Name of Managing Director /Whole - Time Director		Total Amounts
		Harpreet Singh (Managing Director)	Gurdeep Singh (Managing Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	240000	-	240000
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4..	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	240000	-	240000
	Ceiling as per the Act	4200000	4200000	

#### B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Avtar Singh	Amarjit Singh	Amandeep Singh	Narinderjit Singh	Jasjeet kaur	
1	Independent Directors						
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-
2	Other Non-Executive Directors						
	Fee for attending board & committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-
	Total Managerial Remuneration (A)+(B)						



## PACT INDUSTRIES LIMITED

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	10000	-	10000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	10000	-	10000

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

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



## PACT INDUSTRIES LIMITED

### Annexure- C FORM NO. AOC.2

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

Details of contracts or arrangements or transactions not at arm's length basis:  
There were no contracts or arrangements or transactions entered into during the year ended on 31<sup>st</sup> March, 2015, which were not at Arm's Length basis.

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

	Name(s) of the related party and nature of relationship	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Amount paid as advances, if any:	Amount ( in Rs. Lacs)
(a)	Loan Taken (from KMP & relatives of KMP)	2014-15	N.A.	-	106.40
(b)	Loan Repaid(from KMP & relatives of KMP)	2014-15	N.A.	-	48.03
(c)	Sale of Goods (Associates & relatives of KMP)	2014-15	N.A.	-	2499.09
(d)	Purchase of goods (Associates & relatives of KMP)	2014-15	N.A.	-	2671.91

### 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) **The steps taken or impact on conservation of Energy** – Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution system and through improved operational techniques.
- (ii) **The steps taken by the company for utilizing alternate sources of energy** : NIL
- (iii) **The capital investment on energy conservation equipments** – Due to Industry scenario in previous years company was not able to spend any money on equipments for energy conservation.

A	Power and Fuel Consumption		2014-15	2013-14
1	Electricity - Own Generation			
	Unit Produced	KWH	0	0
	Cost of Diesel	Rs.	0	0
	Cost Per Unit	Rs.	0	0
2	Electricity – Purchased			
	Unit Purchased	KWH	6947610	6842465
	Total Amount	Rs.	44656164	48923628
	Rate Per Units	Rs.	6.49	7.15
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**

	2014-15 (12 Months)	2013-14 (12 Months)
a) Earning (Export Sales- FOB Value)	NIL	NIL
b) Outgo:		
i) Imports-Raw Material & Spares	\$ 1981521	\$1510895.39
Capital Goods	NIL	NIL
ii) Expenditure	NIL	NIL





**CORPORATE GOVERNANCE REPORT**

The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with every individual who comes in contact with the Company. The Company's philosophy on Corporate Governance is bounded upon a rich legacy of fair ethical governance practices which has been in practice since the beginning. In fact the company has long been a staunch supporter of this code even before it became mandatory. Integrity, transparency, accountability and compliance with laws which are columns of good governance have always been the hallmark of company. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practices followed by the Company as stated below:

**BOARD COMPOSITION**

**Size and Composition of Board of Directors**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2015, the Board consists of 6 members, three of whom are executive directors, two are non - executive independent directors and one is women director. The Board periodically evaluates the need for change in its composition and size.

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

Name of the Director	Category	Attendance Particulars		No. of Directorship and other committee			No. of shares held in the Company as on 31.03.2015
		Board Meeting	Last AGM	Membership/Chairmanship			
				Directorship	Committee Membership	Committee Chairmanship	
Mr. Avtar Singh	Chairman and Promoter	10	Yes	11	Nil	Nil	142700
Mr. Gurdeep Singh	Managing Director and Promoter	8	Yes	*12	Nil	Nil	426700
Mr. Harpreet Singh	Managing Director and Promoter	10	Yes	4	Nil	1	296300
Mr. Narinderjit Singh	Independent Director	8	Yes	1	2	2	Nil
Mr. Amandeep Singh	Independent Director	7	Yes	2	3	1	24500
Mr. Amarjit Singh	Independent Director	7	Yes	*2	-	3	Nil
Mrs. Jasjeet Kaur	Women Director	0	No	2	2	-	Nil

\*No. of Directorship is inclusive of companies in which directors has resigned during the year

\*Mr. Amarjit Singh resigned from the directorship of the company w.e.f. 25-02-2015

\*Mr. Gurdeep Singh resigned from the directorship of the company w.e.f. 30-07-2015

Ten Board Meetings were held during the year on on 30.04.2014, 30.07.2014, 05.09.2014, 03.10.2014, 31.10.2014, 09.12.2014, 31.01.2015, 06.02.2015, 25.02.2015, 25.03.2015. There was not a gap of more than 120 days between two consecutive meetings. All the information as required under Clause 49 of the Listing Agreements has been placed before the Board.

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

**Change in directors**

During the year under review Mr. Amarjit Singh resigned from the directorship of the company w.e.f. 25.02.2015 respectively. Mrs. Jasjeet Kaur was appointed as an Women director being woman director on the Board of the company w.e.f. 25.03.2015.



## **Information to Directors:**

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

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

## **Post Meeting Action:**

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

## **Support and Role of Company Secretary:**

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

## **Training/Familiarization of Board of Directors**

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

## **Remuneration Paid to Directors**

Looking the scenario of the iron and steel Industry and financial position of the company none of the Executive Directors have taken any remuneration except Mr. Harpreet Singh, Managing Director to whom remuneration of Rs. 2,40,000/- per annum has been paid for the Financial Year 2014-15.

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 the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 09.12.2014 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 its 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 was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement on 09.12.2014. Composition of Audit Committee and attendance of each Director during the meetings held in financial year 2014-15 are given below:



## PACT INDUSTRIES LIMITED

Name	Status	Category	No of Meetings Attended during the year 2014-15
Mr. Amarjit Singh	Chairman	Independent and Non-Executive Director	4
Mr. Amandeep Singh	Member	Independent and Non-Executive Director	4
Mr. Narinderjit Singh	Member	Independent and Non-Executive Director	4

Four Audit Committee meetings were held during the year on 30th April, 2014, 30th July, 2014, 31st October, 2014, 31st January, 2015. The Company Secretary acts as the secretary to the committee. The terms of reference of the committee is as per Companies Act, 2013 and clause 49 of listing agreement.

Mr. Amarjit Singh resigned from the directorship of the company wef 25.02.2015. Mr. Harpreet Singh, has been appointed as the chairman of Audit Committee wef 25.02.2015 in place of Mr Amarjit Singh.

### NOMINATION AND REMUNERATION COMMITTEE

The remuneration committee was renamed and reconstituted as Nomination and Remuneration Committee at a board meeting held on 25.03.2015. The 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

During the year 2014-15, no meeting of this Committee was held

Name	Status	Category	No of Meetings Attended during the year 2014-15	
			Held	Attended
Mr. Amarjit Singh	Chairman	Non Executive & Independent Director	1	1
Mr. Amandeep Singh	Member	Non Executive & Independent Director	1	1
Mr. Narinder Singh	Member	Non Executive & Independent Director	1	1

Mr. Amarjit Singh resigned from the directorship of the company on 25.02.2015. Mr. Narinderjit Singh becomes chairman of the committee on 25.03.2015 and Mrs. Jasjeet Kaur becomes the member of the Committee on 25.03.2015.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted by the Board on consequent to the dissolution of the Shareholders'/ Investors' Grievance Committee) on 25.03.2015. 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 Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises of three members, viz.; Narinderjeet Singh and Amandeep Singh.

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

Name	Status	Category	No of Meetings Attended during the year 2014-15	
			Held	Attended
Mr. Amarjit Singh	Chairman	Non-Executive & Independent Director	1	1
Mr. Narinderjit Singh	Member	Non-Executive & Independent Director	1	1
Mr. Amandeep Singh	Member	Non-Executive & Independent Director	1	1



## PACT INDUSTRIES LIMITED

Mr. Amarjit Singh resigned from the board wef 25.02.2015. Mr Narinderjit Singh becomes the Chairman of the Committee wef 25.02.2015.

No complaints were received from the shareholders during the year 2014-15 and no investor complaint was pending with the Company as well as Registrar and Share Transfer Agent of the Company as on 31 March 2015. Ms. Divya Khanna, the Company Secretary is the Compliance Officer of the Company and be contacted at Ph: 0161-2845888-2844888 and Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com)

### RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company at its meeting held on 25.03.2015 constituted a Risk Management Committee of the Board comprising of two Non-Executive Independent Directors and one women director viz. Mr. Amandeep Singh, Mr. Narinderjit Singh (Member) and Mrs. Jasjeet Kaur (Member).

### 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 Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

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

### SUBSIDIARY COMPANIES

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

### WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. During the year under review, no employee was denied access to the 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
2011 – 2012	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	29.09.2012	02.45 P.M.
2012 – 2013	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	30.09.2013	02.45 P.M.
2013 – 2014	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana	30.09.2014	01.00 P.M.



## PACT INDUSTRIES LIMITED

### MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

As required under Clause 49 IX of the listing agreement with the stock exchanges We, Harpreet Singh, Managing Director and Mr. Sanjya Kumar Jain, CFO certifies to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of his 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 his 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) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) He has indicated to the auditors and the Audit Committee:
  1. Significant changes in the internal control over financial reporting during the year
  2. Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

### MEANS OF COMMUNICATION

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

The quarterly, half-yearly and annual financial results were/will be published in eminent daily newspapers and also displayed on Company's website: [www.pactindustries.com](http://www.pactindustries.com).

### SHAREHOLDER INFORMATION

**Registered Office** : 303, Hotel The Taksonz,  
Opp. Railway Station,  
Ludhiana Punjab-141008  
Telephone No. – 0161-2845888-2844888  
Fax no.0161-2721876,  
Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com)

### PARTICULARS OF DIRECTORS REAPPOINTED

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

### Registrar and Transfer Agent

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

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

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



## PACT INDUSTRIES LIMITED

Participant.

### Plant Location

- i) Kartar Complex G.T.Road, Jalandhar Bye Pass, Ludhiana.
- ii) Village Bilga, Post Office Sahnewal, District Ludhiana.

### Compliances

#### **Mandatory Requirements**

The Company has fully complied with the applicable mandatory requirements of clause 49 of the listing agreement.

#### **Shareholders Rights :**

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

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

The internal auditor reports to audit committee.

### General Shareholders Information

#### **Annual General Meeting**

Date	:	30 <sup>th</sup> September, 2015
Day	:	Wednesday
Time	:	3:00 p.m.
Venue	:	303, Hotel The Taksonz, Opp.Railway Station, Ludhiana

### FINANCIAL CALENDAR

Financial Year	:	1st April to 31st March
----------------	---	-------------------------

Financial results were announced on:

o July 2014	:	First Quarter
o October 2014	:	Second Quarter
o January 2015	:	Third Quarter
o May 2015	:	Audited Results

### Book Closure

The dates of book closure are from 26th May, 2015 to 30th May, 2015 (inclusive of both days).

**Demat ISIN Number for NSDL and CDSL** : INE494K01016

### Listing

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

Stock Exchanges	Stock Code
<b>Bombay Stock Exchange Ltd.</b> 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Demat Segment - 538963

### SHARE TRANSFER SYSTEM

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



## PACT INDUSTRIES LIMITED

### Stock Market Data

Market Price Data as compared to closing Sensex during 2014-2015:

Month	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Sensex Closing
April, 2014	-	-	-	-	-	22,417.80
May, 2014	-	-	-	-	-	24,217.34
June, 2014	-	-	-	-	-	25,413.78
July, 2014	-	-	-	-	-	25,894.97
August, 2014	-	-	-	-	-	26,638.11
September, 2014	-	-	-	-	-	26,630.51
October, 2014	-	-	-	-	-	27,865.83
November, 2014	-	-	-	-	-	28,693.99
December, 2014	-	-	-	-	-	27,499.42
January, 2015	-	-	-	-	-	29,182.95
February, 2015	-	-	-	-	-	29,361.50
March, 2015	7.25	7.25	7.25	200	2	27,957.49

### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015.

Shares or Debenture Holding		No. Of Share Holders	% of Total Number	Physical Shares		Demat in NSDL	Demat in CSDL	Total Shares		% Age
				Equity	Preference			Equity	Preference	
Upto	500	3594	94.53	426000	0	1300	500	427800		8.66
	501	98	2.58	77000	0	4400	700	82100		1.66
	1001	37	0.97	52600	0	1500	2000	56100		1.14
	2001	10	0.26	27200	0	0	0	27200		0.55
	3001	1	0.03	3400	0	0	0	3400		0.07
	4001	16	0.42	77800	0	0	0	77800		1.57
	5001	3	0.08	18600	0	0	0	18600		0.38
	10001 & Above	43	1.13	656300	1000000	0	3591500	4247800	1000000	85.97
		<b>3802</b>	<b>100.00</b>	<b>1338900</b>	<b>1000000</b>	<b>7200</b>	<b>3594700</b>	<b>4940800</b>	<b>1000000</b>	<b>100.00</b>

### DEMATERIALISATION OF SHARES:

As on 31<sup>st</sup> March, 2015, 72.90% of the capital comprising 36,01,900 shares, out of total of 49,40,800 shares were dematerialized.

### ADDRESS OF CORRESPONDENCE

Shareholders may contact:

**Ms. Divya Khanna** (Company Secretary) at  
Registered Office & Works

:

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



## PACT INDUSTRIES LIMITED

### TO WHOMSOEVER IT MAY CONCERN

I, Harpreet Singh, the Managing Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Place: Ludhiana  
Date: 04.09.2015

-sd-  
Harpreet Singh  
Managing Director

---

### **Certificate on Compliance from Practicing Company Secretary with the conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

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

We have examined the compliance of conditions of Corporate Governance by M/S PACT INDUSTRIES LIMITED ("the Company"), for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

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

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

**For Brij K Tiwari & Associates**

-sd-  
**(Brij K Tiwari)**  
**Proprietor**  
Company Secretary in whole time practice  
FCS : 4442  
C.P. No. : 2831  
Place: Ludhiana  
Dated: 03.09.2015





**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

**To the Members of  
Pact Industries Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Pact Industries Limited** which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
- (c) in the case of Cash Flow Statement for the year ended on that date;

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;



## PACT INDUSTRIES LIMITED

- In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in subsection (3c) of section 211 of the companies act, 1956;
- On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the board of directors, none of the directors is disqualified as on march 31, 2015, from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the companies act, 1956.

For **Rajesh Mehru & Co.**  
Chartered Accountants  
Firm Reg No. : 011715N

Place : Ludhiana  
Date : 25.05.2015

-sd-  
Rajesh Mehru  
Partner  
M. No: 090725



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**The Annexure referred to in our report to the members of M/s Pact Industries Ltd. for the year ended on 31.03.2015. We report that:**

**1. In respect of the Company's fixed assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its business.
- (c) In our opinion and according to information and explanation given to us, the company has not disposed off substantial part of its fixed assets during the year and going concern status of the company is accordingly not affected.

**2. In respect of the Company's inventories:**

- (a) As explained to us, the inventory has been physically verified during the year by the management at reasonable intervals..
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management as evidenced by the written procedures and instruction are reasonable and adequate in relation to the size of the company and nature of its business.
  - (c) The company is maintaining proper records of inventories.
2. (a) According to the information and explanations given to us, the company has not granted any loan to Companies or other parties covered in the register maintained under section 301 of the companies act, 2013.
  - (b) The company has taken unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 2013 and had also repaid some amount to same persons.
  - (c) In our opinion and according to the information and explanations given to us rate of interest and other terms and conditions on which loan have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the company.
  - (d) In our opinion and according to the information and explanations give to us. The payment of principal amount and interest in respect to the aforesaid loans is regular. There is no overdue amount of loans taken from Companies, Firms, or other parties listed in the register maintained under section 301 of the Companies Act, 2013.
3. In our opinion and according to the information and explanations given to us, these are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regards to purchase of inventories, fixed assets and with regard to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
  4. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act.
    - (a) In our opinion and according to the information and explanations given to us. We are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1961 has been so entered.
    - (b) In our opinion and according to the information and explanations given to us, there is no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and which exceed Rs. 5.00 Lacs or more in respect of each party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
  5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in pursuance of section 58A and 58AA of the Companies Act, 2013.
  6. In our opinion, the company has internal audit system commensurate with the size and nature of its business.
  7. The Central Govt. has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 2013 for any of the products of the Company.



## PACT INDUSTRIES LIMITED

8. According to the information and explanations given to us, in respect of statutory dues:
  - a) We are of the opinion that the Company has been regular in depositing undisputed statutory dues.
  - b) We are of the opinion that no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31.03.2015 for a period of more than six months from the date of they becoming payable.
  - c) We are of the opinion that there are no dues of Sale-Tax, Income Tax, Wealth Tax, Excise duty and cess which have not deposited on account of any dispute.
9. The company does not have accumulated losses at the end of financial year which are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered under audit.
10. According to the information and explanations given to us, the company has not defaulted in repayment of dues to bank and financial institution.
11. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
12. The Company is not a chit fund, or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
13. In our opinion, the company is not dealing in or traded in shares, securities, debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditors Report) order 2003 are not applicable to the Company.
14. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
15. In our opinion and according to the information and explanations given to us, the Company has not applied the term loans for the purpose for which the loans were raised.
16. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. Further, no long-term funds have been used to finance for short-term assets except permanent working capital.
17. According to the information and explanations given to us the Company has not made preferential allotment of shares during the year to parties and Companies covered in the register maintained under section 301 of Companies Act, 2013.
18. According to the information and explanations given to us, the Company has not issued any secured debentures during the year.
19. The Company has not raised any money by way of a public issue during the year ended 31st March, 2015. Therefore the provisions of clause 4(xx) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Rajesh Mehru & Co.**  
Chartered Accountants  
Firm Reg No. : 011715N

Place : Ludhiana  
Date : 25.05.2015

-sd/-  
Rajesh Mehru  
Partner  
M. No: 090725



## PACT INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2015

(in Rupees)

Particulars		Note No.	As at 31 March 2015	As at 31 March 2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
(a)	Share capital	<b>1</b>	59,408,000.00	59,408,000.00
(b)	Reserves and surplus	<b>2</b>	41,460,960.43	34,508,651.53
<b>2</b>	<b>Non-current liabilities</b>			
(a)	Long-term borrowings	<b>3</b>	29,456,933.67	34,882,528.67
(b)	Deferred tax liabilities (Net)		185,579.00	107,774.00
(c)	Other Long term liabilities		-	-
<b>3</b>	<b>Current liabilities</b>			
(a)	Short-term borrowings	<b>4</b>	84,374,070.66	80,398,563.42
(b)	Trade payables	<b>5</b>	5,432,990.55	4,909,701.51
(c)	Other current liabilities	<b>6</b>	6,840,000.00	6,840,000.00
(d)	Short-term provisions	<b>7</b>	2,954,331.00	4,164,759.35
	<b>TOTAL</b>		<b>230,112,865.31</b>	<b>225,219,978.48</b>
<b>II.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
<b>1</b>	<b>Fixed assets</b>			
(a)	(i) Tangible assets	<b>8</b>	91,642,431.92	91,642,431.92
	(ii) Intangible assets		-	-
(b)	Non-current investments		-	-
(c)	Deferred tax assets (net)		-	-
(d)	Long-term loans and advances	<b>9</b>	6,976,580.50	7,188,312.43
<b>2</b>	<b>Current assets</b>			
(a)	Current investments			
(b)	Inventories	<b>10</b>	84,416,700.00	67,606,976.00
(c)	Trade receivables	<b>11</b>	30,645,499.97	43,013,541.33
(d)	Cash and cash equivalents	<b>12</b>	5,014,371.58	10,320,202.88
(e)	Short-term loans and advances	<b>13</b>	7,496,027.42	2,306,700.00
(f)	Other current assets	<b>14</b>	3,921,253.92	3,141,813.92
	<b>TOTAL</b>		<b>230,112,865.31</b>	<b>225,219,978.48</b>

As per our report attached  
FOR RAJESH MEHRU & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REG NO 011715N

ON OR BEHALF OF THE BOARD

-sd-  
RAJESH MEHRU  
PARTNER  
M. NO. 090725

-sd-  
HARPREET SINGH  
MANAGING DIRECTOR  
DIN : 00570541

-sd-  
AVTAR Singh  
CHAIRMAN  
DIN : 00570465

LUDHIANA  
DATED : 25.05.2015



## PACT INDUSTRIES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

( In Rupees)

Particulars		Refer Note No.	Current Year	Previous Year
I.	Revenue from operations	15	507,805,781.56	502,463,841.60
II.	Other income	16	7,852,769.15	2,275,371.00
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>515,658,550.71</b>	<b>504,739,212.60</b>
IV.	Expenses:			
	Cost of materials consumed			
	Opening Stock of material		67,606,976.00	68,414,010.00
	Add: Purchase of material		454,748,471.87	427,190,847.93
	Less: Closing Stock of material		84,416,700.00	67,606,976.00
			<b>437,938,747.87</b>	<b>427,997,881.93</b>
	Manufacturing Expenses	17	51,230,286.28	53,715,986.32
	Employee benefits expense	18	1,203,161.00	1,869,729.00
	Finance costs	19	16,032,288.46	11,039,992.22
	Administrative Expenses	20	903,242.50	765,795.00
	Selling & Distribution Expenses	21	55,523.00	613,033.00
	Repair & maintenance	22	425,900.00	434,416.00
	Depreciation and amortization expense		5,785,517.90	6,311,533.90
	<b>Total expenses</b>		<b>513,574,667.01</b>	<b>502,748,367.37</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>2,083,883.70</b>	<b>1,990,845.23</b>
VI.	Exceptional items ( Preliminary Expenses W/off		-	-
VII.	Profit before extraordinary items and tax (V - VI)		2,083,883.70	1,990,845.23
VIII.	Extraordinary Items		-	-
<b>IX.</b>	<b>Profit before tax (VII- VIII)</b>		<b>2,083,883.70</b>	<b>1,990,845.23</b>
X	Tax expense:			
	Current tax		839,287.70	585,684.00
	Deferred tax		77,805.00	29,487.00
<b>XI</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,166,791.00</b>	<b>1,375,674.23</b>
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
<b>XIV</b>	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>1,166,791.00</b>	<b>1,375,674.23</b>
<b>XV</b>	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>1,166,791.00</b>	<b>1,375,674.23</b>
XVI	Earnings per equity share:			
	(1) Basic		0.24	0.28

As per our report attached  
FOR RAJESH MEHRU & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REG NO 011715N

-sd-  
RAJESH MEHRU  
PARTNER  
M. NO. 090725

LUDHIANA  
DATED : 25.05.2015

ON OR BEHALF OF THE BOARD

-sd-  
HARPREET SINGH  
MANAGING DIRECTOR  
DIN : 00570541

-sd-  
AVTAR Singh  
CHAIRMAN  
DIN : 00570465



## PACT INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR YEAR ENDED 31.03.2015

PARTICULARS	As at 31 March 2015	As at 31 March 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PROFIT AS PER PROFIT & LOSS ACCOUNT	2083883.70	1990845.23
DEPRECIATION DURING THE YEAR	5785517.90	6311533.90
INCREASE/(DECREASE) IN SUNDRY CREDITORS	523289.04	-26806461.34
INCREASE/(DECREASE) IN PROVISION & PAYABLE	-2049716.05	348659.35
INCREASE/(DECREASE) OTHER CURRENT LAIBILITIES	0.00	6840000.00
INCREASE/(DECREASE) IN STOCK	-16809724.00	807034.00
INCREASE/(DECREASE) IN SUNDRY DEBTORS	12368041.36	9056260.84
INCREASE/(DECREASE) IN SHORT TERM ADVANCES	-5189327.42	6874141.45
INCREASE/(DECREASE) IN OTHER CURRENT ASSETS	-779440.00	0.00
NET CASH USED IN OPERATING ACTIVITIES	(4,067,475.47)	5,422,013.43
LESS TAX EXPENSES	0.00	-113133.00
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(4,067,475.47)</b>	<b>5,308,880.43</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	0.00	-3713958.00
INCREASE IN INVESTMENTS	211731.93	3215043.07
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>211,731.93</b>	<b>(498,914.93)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM BORROWINGS/(REPAYMENTS)	-1450087.76	-11531505.50
<b>NET CASH FROM IN FINANCING ACTIVITIES</b>	<b>(1,450,087.76)</b>	<b>(11,531,505.50)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,305,831.30)</b>	<b>(6,721,540.00)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>10320202.88</b>	<b>17041742.88</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,014,371.58</b>	<b>10,320,202.88</b>
<b>AUDITORS REPORT:</b>	<b>0.00</b>	<b>0.00</b>

CERTIFIED IN THE TERMS OF OUR SEPARATE REPORT OF EVEN DATE.

As per our report attached  
FOR RAJESH MEHRU & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REG NO 011715N

-sd-  
RAJESH MEHRU  
PARTNER  
M. NO. 090725

LUDHIANA  
DATED : 25.05.2015

ON OR BEHALF OF THE BOARD

-sd-  
HARPREET SINGH  
MANAGING DIRECTOR  
DIN : 00570541

-sd-  
AVTAR Singh  
CHAIRMAN  
DIN : 00570465



## PACT INDUSTRIES LIMITED

### NOTE 1 SHARE CAPITAL

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
-		
<b>Authorised</b>		
60,00,000 Equity Shares @Rs.10/-Each	60,000,000.00	60,000,000.00
<b>Equity Share Capital</b>		
<b>Issued Equity Share Capital</b>		
49,40,800 Equity Shares @Rs.10/-Each	49,408,000.00	49,408,000.00
<b>Subscribed &amp; Equity Paid up</b>		
49,40,800 Equity Shares @Rs.10/-Each	49,408,000.00	49,408,000.00
	<b>49,408,000.00</b>	<b>49,408,000.00</b>
<b>Preference Shares Capital</b>		
<b>Issued Preference Share Capital</b>		
10,00,000 Preference Shares @Rs.10/-Each	10,000,000.00	10,000,000.00
<b>Subscribed &amp; Paid up Preference share capital</b>		
10,00,000 Equity Shares @Rs.10/-Each	10,000,000.00	10,000,000.00
	<b>10,000,000.00</b>	<b>10,000,000.00</b>
<b>Total (A+B)</b>	<b>59,408,000.00</b>	<b>59,408,000.00</b>

### NOTE 1 A

Particulars	Equity Shares	Equity Shares
	Number	Amount
Shares beginning of the year	4,940,800	49,408,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,940,800	49,408,000

### NOTE 1 B

Particulars	Preference Share	Preference Share
	Number	Amount
Shares beginning of the year	-	-
Shares Issued during the year	1,000,000	10,000,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,000,000	10,000,000

### NOTE 2 RESERVES & SURPLUS

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
-		
<b>a. Depreciation Reserve</b>		
Opening Balance	28,433,483.87	22,121,949.97
(+) Current Year Transfer	5,785,517.90	6,311,533.90





## PACT INDUSTRIES LIMITED

(-) Written Back In Current Year	-	-
Closing Balance	<b>34,219,001.77</b>	<b>28,433,483.87</b>
<b>b. Capital Reserve</b>		
Opening Balance	490,000.00	490,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>490,000.00</b>	<b>490,000.00</b>
<b>c. General Reserve</b>		
Opening Balance	2,200,000.00	2,200,000.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>2,200,000.00</b>	<b>2,200,000.00</b>
<b>d. Surplus</b>		
Opening balance	3,385,167.66	2,009,493.43
(+) Net Profit/(Net Loss) For the current year	1,166,791.00	1,375,674.23
Closing Balance	<b>4,551,958.66</b>	<b>3,385,167.66</b>
<b>Total</b>	<b>41,460,960.43</b>	<b>34,508,651.53</b>

### NOTE 3 LONG TERM BORROWINGS

<u>Particulars</u>	<u>As at 31 March 2015</u>	<u>As at 31 March 2014</u>
	<u>Rs.</u>	<u>Rs.</u>
<b><u>Secured</u></b>		
<b>(A) Term loans</b>		
AS per list "A"	16,309,544.00	25,604,450.00
<b>Less: Installments Due Next Year Shown as Current Liabilities</b>		
(Term Loan of Rs. 6.50 Crores repayable in 84 monthly instalment) the total amount disbursed Rs.4.25 Crores hence amount of repayment of Rs.5.10 Lacs per month )	6,120,000.00	6,120,000.00
(Term Loan of Rs. 1.55 Crores repayable in 54 monthly instalment first 12 instalment of Rs. 2.00 Lacs starting w.e.f. 01.04.2012 and next 36 instalment of Rs. 3.25 lacs starting from 01.04.2013 and Last 6 instalment of Rs. 2.33 Lacs due on w.e.f. 01.04.2016) Upto 31.03.2013 the total amount disbursed Rs 35 lacs hence amount of repayment is Rs. 60000/- per month	720,000.00	720,000.00
<b>TOTAL</b>	<b>9,469,544.00</b>	<b>18,764,450.00</b>
<b><u>Unsecured</u></b>		
<b>(A) Loans and advances from related parties</b>		
(of the above, is guaranteed by Director and / or others)	19,987,389.67	16,118,078.67
(As per List "B")	19,987,389.67	16,118,078.67
<b>Total</b>	<b>29,456,933.67</b>	<b>34,882,528.67</b>



## PACT INDUSTRIES LIMITED

### NOTE 4 SHORT TERM BORROWINGS

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
State Bank Of India (C/C) (Secured against hypothecation of stock & book debts)	63,222,313.66	52,635,469.42
State Bank Of India (Lein Account)	1147488.00	0.00
State Bank Of India (SLC)	1000000.00	0.00
State Bank Of India (L/C)	19004269.00	27,763,094.00
	<b>84,374,070.66</b>	<b>80,398,563.42</b>
<b>Total</b>	<b>84,374,070.66</b>	<b>80,398,563.42</b>

### NOTE 5 TRADE PAYABLES

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
(a) Trade Payables (As per List "C")	5,432,990.55	4,909,701.51
<b>Total</b>	<b>5,432,990.55</b>	<b>4,909,701.51</b>

### NOTE 6 OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>(a) Other payables (Installment dues during the next year)</b>		
Repayment of Term Loan	6,120,000.00	6,120,000.00
Repayment of Term Loan	720,000.00	720,000.00
<b>Total</b>	<b>6,840,000.00</b>	<b>6,840,000.00</b>

### NOTE 7 SHORT TERM PROVISIONS

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>(a) Provision for employee benefits</b>		
Salary Payable	-	167,723.00
ESI Payable	32,642.00	9,973.00
Bonus Payable	129,781.00	194,514.00
Leave With Wages Payable	65,804.00	101,332.00
EPF Payable	44,296.00	5,789.00
<b>(b) Others (Specify nature)</b>		
Audit Fees Payables	244,837.00	219,837.00
Provision for Income Tax 2013-14	-	585,684.00
Labour Welfare Fund	10,273.00	7,456.00
Vat Payable	-	187,277.05



## PACT INDUSTRIES LIMITED

Tds Payable	28,698.00	7,384.30
ELECTRICITY PAYABLE	2,398,000.00	2,677,790.00
<b>Total</b>	<b>2,954,331.00</b>	<b>4,164,759.35</b>

### **NOTE 9 LONG TERM LOAN AND ADVANCES**

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>a. Capital Advances</b>	Nil	Nil
	-	-
<b>b. Security Deposits</b> (As Per List "E")	6,976,580.50	7,188,312.43
	<b>6,976,580.50</b>	<b>7,188,312.43</b>
<b>Total</b>	<b>6,976,580.50</b>	<b>7,188,312.43</b>

### **NOTE 10 INVENTORIES**

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Inventories (Valued at cost or Market Price whichever is less as certified by Director)	84,416,700.00	67,606,976.00
<b>Total</b>	<b>84,416,700.00</b>	<b>67,606,976.00</b>

### **NOTE 11 TRADE RECEIVABLE**

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good (As per List "F")	30,645,499.97	43,013,541.33
Unsecured, considered doubtful	-	-
	-	-
Less: Provision for doubtful debts	-	-
	<b>30,645,499.97</b>	<b>43,013,541.33</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	-	-
Less: Provision for doubtful debts	-	-
	-	-
<b>Total</b>	<b>30,645,499.97</b>	<b>43,013,541.33</b>



## PACT INDUSTRIES LIMITED

### NOTE 12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>a. BALANCE WITH BANKS</b>		
The catholic serian bank Ltd.	5,350.51	8,594.51
Indian Bank (C/A 467163599)	1,140.37	1,140.37
Indian Bank (Chennai)	22,431.00	22,431.00
SBI Mumbai	44,826.00	44,826.00
SBI margin money	592,690.32	592,690.32
Union bank of india unit.II	11,568.00	11,568.00
Union bank of india (FDR)	268,485.00	268,485.00
FDR-4 with state bank of india againt Lc	3,712,835.00	5,526,388.00
FDR-5 with state bank of india againt Lc	-	431,688.00
b. Cash on hand	355,045.38	823,980.68
Cheque & Drafts in hand	-	2,588,411.00
<b>Total</b>	<b>5,014,371.58</b>	<b>10,320,202.88</b>

### NOTE 13 SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
<b>a. Loans and advances to related parties (refer note 2)</b>	Nil	Nil
	-	-
<b>b. Other loans and advances (specify nature) (As per List "G")</b>	7,496,027.42	2,306,700.00
	<b>7,496,027.42</b>	<b>2,306,700.00</b>
<b>Total</b>	<b>7,496,027.42</b>	<b>2,306,700.00</b>

### NOTE 14 OTHER CURRENT ASSETS

Particulars	Amount	Amount
Misc Expenses (not written off )	3,921,253.92	3141813.92
<b>Total</b>	<b>3,921,253.92</b>	<b>3,141,813.92</b>



## PACT INDUSTRIES LIMITED

### NOTE NO. "8" OF FIXED ASSETS OF PART 1 OF SCHEDULE VI TO COMPANIES ACT 1956 AS ON 31.03.2015

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		Rate	
	As at 31 March 2014	Additions/ (Disposals) Bef. Sep	Additions/ (Disposals) Aft. Sep	Revaluations/ (Impairments)	Depreciation reserve written back during the year	As at 31 March 2015	As at 31 March 2014	Depreciation charge for the year	Adjustment due to conversation into stock	On disposals	As at 31 March 2015	As at 31 March 2015		As at 31 March 2014
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs		Rs
<b>Tangible Assets</b>														
<b>BUILDING :-</b>														
BUILDING ( UNIT - II)	31,232,367.07					31,232,367.07	4,044,412.17	1,359,397.75			403,809.91	25,828,557.16	27,187,954.90	5.00
BUILDING A/C NEW OFFICE	1,174,392.00					1,174,392.00	250,922.26	92,346.97			343,269.24	831,122.76	923,469.74	10.00
BUILDING TIBBA ROAD	6,762,729.70					6,762,729.70	4,904,124.85	110,586.99			5,014,711.84	1,748,017.96	1,858,604.95	5.95
SHOW ROOM	982,000.00					982,000.00						982,000.00	982,000.00	0.00
<b>PLANT &amp; MACHINERY :-</b>														
COOLING TOWER	216,500.00					216,500.00	58,671.50	15,782.85			74,454.35	142,045.65	157,828.50	10.00
ELECTRIC INSTALLATION	1,324,997.54					1,324,997.54	359,074.33	96,592.32			455,666.65	869,330.89	965,923.21	10.00
FURNANCE	25,772,937.85					25,772,937.85	8,175,384.57	2,447,819.66			10,623,204.23	15,149,733.62	17,597,553.28	13.91
GENERATOR	527,521.00					527,521.00	196,335.85	66,237.03			262,572.88	264,948.12	331,185.15	20.00
SPECTOMETER	1,092,050.00					1,092,050.00	395,262.03	96,923.21			492,185.24	599,864.77	696,787.97	13.91
LABORTERY EQUIPMENT	97,673.00					97,673.00	26,469.38	7,120.36			33,589.74	64,083.26	71,203.62	10.00
SCRAP BAILING PRESS	1,180,000.00					1,180,000.00	427,095.09	104,729.07			531,824.16	648,175.84	752,904.91	13.91
TRANSFORMER	2,613,915.00					2,613,915.00	946,093.44	231,993.98			1,178,087.42	1,435,827.58	1,667,821.56	13.91
AIR POLLUTION CONTROL SYSTEM	1,416,734.32					1,416,734.32	512,779.88	125,740.06			638,519.95	778,214.37	903,954.43	13.91
MACHINERY (KNITING)	686,559.13					686,559.13	16,536.55	5,405.59			21,942.14	551,872.00	557,277.59	0.97
WEIGHT SCALE	145,979.55					145,979.55	130,375.05	2,170.58			132,545.63	13,433.88	15,604.46	13.91
WEIGHING SCALE	606,000.00					606,000.00	219,338.66	53,784.59			273,123.26	332,876.74	386,661.34	13.91
<b>OFFICE EQUIPMENT :-</b>														
AIR CONDITIONER	430,457.00					430,457.00	129,653.35	41,841.79			171,495.14	258,961.86	300,803.65	13.91
ATTENDANCE MACHINE	14,770.00					14,770.00	5,345.93	1,310.89			6,656.82	8,113.18	9,424.07	13.91
COMPUTER	181,085.00					181,085.00	125,604.08	22,192.37			147,796.45	33,288.55	55,480.92	40.00
FAX MACHINE	54,389.98					54,389.98	47,845.50	910.34			48,755.83	5,634.15	6,544.49	13.91
REFRIGRATOR	9,650.00					9,650.00	3,723.69	888.95			4,612.64	5,037.36	5,926.31	15.00
<b>OTHER VEHICLE :-</b>														
CAR	7,257,037.29					7,257,037.29	4,460,112.79	273,818.91			4,733,931.70	2,523,105.59	2,796,924.50	9.79
LORRY	1,637,522.00					1,637,522.00	443,768.46	119,375.35			563,143.82	1,074,378.18	1,193,753.54	10.00
MOTER CYCLE	19,276.20					19,276.20	18,338.84	93.74			18,432.58	843.62	937.36	10.00
SCOOTER	47,849.51					47,849.51	45,930.06	191.95			46,122.01	1,727.51	1,919.46	10.00
THREE WHEELER	14,343.85					14,343.85	13,939.10	56.30			13,995.40	348.42	404.72	13.91
TRUCK (TATA 407)	539,679.93					539,679.93	490,527.47	4,915.24			495,442.71	44,237.15	49,152.39	10.00
CRAIN	5,604,015.00					5,604,015.00	1,985,818.96	503,291.07			2,489,110.03	3,114,904.97	3,618,196.04	13.91
<b>TOTAL</b>	<b>91,642,431.92</b>					<b>91,642,431.92</b>	<b>28,433,483.86</b>	<b>5,785,517.90</b>			<b>34,219,001.76</b>	<b>57,310,685.15</b>	<b>63,096,203.05</b>	



## PACT INDUSTRIES LIMITED

### NOTE 15 REVENUE FROM OPERATIONS

Particulars	Current Year	Previous Year
	Rs.	Rs.
Sale	502,583,367.56	502,463,841.60
Job Work	5,222,414.00	-
<b>Total</b>	<b>507,805,781.56</b>	<b>502,463,841.60</b>

### NOTE 16 OTHER INCOME

Particulars	Current Year	Previous Year
	Rs.	Rs.
Foreign Exchange Difference	622,128.00	-
Rebate & Discount	4,213,549.80	-
Focus	62,920.35	
Interest Income	309,751.00	581,410.00
Commission Received	2,644,420.00	1,693,961.00
<b>Total</b>	<b>7,852,769.15</b>	<b>2,275,371.00</b>

### NOTE 17 MANUFACTURING EXPENSES

Particulars	Current Year	Previous Year
	Rs.	Rs.
Consumables stores	58,251.00	152,914.00
Cartage, inward	743,775.00	60,057.00
Electricity charges	44,708,352.00	48,923,628.25
Duty Unrecoverable Shortage	4,194,462.28	2,768,356.07
Wages expenses	1,525,446.00	1,811,031.00
<b>Total</b>	<b>51,230,286.28</b>	<b>53,715,986.32</b>

### NOTE 18 EMPLOYEE BENEFITS EXPENSES

Particulars	Current Year	Previous Year
	Rs.	Rs.
Salaries and incentives	701,036.00	1,064,255.00
ESI and EPF	64,412.00	130,713.00
Bonus	129,781.00	194,514.00
Leave with Wages	65,804.00	101,332.00
Director's Remuneration	240,000.00	360,000.00
House Rent Allowance	2,128.00	18,915.00
<b>Total</b>	<b>1,203,161.00</b>	<b>1,869,729.00</b>

### NOTE 19 Finance Cost

SR No	Particulars	Current Year	Previous Year
		Rs.	Rs.
1	Bank Charges	1,743,539.46	1,392,332.92
2	Bank interest	14,252,251.00	9,513,834.30
3	Interest on Vehicle Loan	36,498.00	133,825.00
	<b>Total</b>	<b>16,032,288.46</b>	<b>11,039,992.22</b>



## PACT INDUSTRIES LIMITED

### NOTE 20 Administrative Expenses

SR No	Particulars	Current Year	Previous Year
		Rs.	Rs.
1	Rent	210,000.00	192,000.00
2	Fees & Taxes	261,855.50	220,812.00
3	Canteen expenses	36,065.00	35,363.00
4	General expenses	39,455.00	33,666.00
5	Insuarance	230,559.00	156,554.00
6	Legal & Professional Charges	10,000.00	27,041.00
7	Printing & Stationery	2,458.00	2,013.00
8	Telephone Expenses	33,986.00	28,102.00
9	Generator Exp.	7,039.00	9,000.00
10	Conveyance Expenses	33,600.00	36,244.00
11	Testing Expenses	6,000.00	-
13	Subscription	1,600.00	
14	Service Tax Expenses	309.00	
<b>Sub Total</b>		<b>878,242.50</b>	<b>740,795.00</b>

SR No	Audit fees	Current Year	Previous Year
		Rs.	Rs.
1	Payments to the auditor as a. auditor,	19,000.00	19,000.00
2	b. for taxation matters,	6,000.00	6,000.00
Sub Total		25,000.00	25,000.00
<b>Grand Total</b>		<b>903,242.50</b>	<b>765,795.00</b>

### NOTE 21 Selling & Distribution Expenses

SR No	Particulars	Current Year	Previous Year
		Rs.	Rs.
1	Freight & Octori Outward	55,523.00	499,579.00
2	Packing expenses	-	113,454.00
<b>Total</b>		<b>55,523.00</b>	<b>613,033.00</b>

### NOTE 22 Repair & Maintanance

SR No	Particulars	Current Year	Previous Year
		Rs.	Rs.
1	Car running & maintenance	82,700.00	35,400.00
2	Turck repair & running expenses	173,000.00	246,130.00
3	Repair & Maintanance	170,200.00	152,886.00
<b>Total</b>		<b>425,900.00</b>	<b>434,416.00</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**General Information :**

Balance Sheet, Profit & Loss Accounts have been drawn on 31.03.2015 comprising of 12 months. (from 01.04.2014 to 31.03.2015) and previous year figures have been drawn as on 31.03.2014 comprising of 12 months (from 01.04.2013 to 31.03.2014).

**Significant Accounting Policies :**

**a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

**b) REVENUE RECOGNITION:**

Sales:

Revenue from sale of goods is recognized :

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

Interest:

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

Benefit under Duty Entitlement Pass Book Scheme / Duty Drawback Scheme

Revenue in respect of the above benefit is recognized on post export basis.

Insurance and Other Claims

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

**c) USE OF ESTIMATES**

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

**d) FIXED ASSETS :**

Fixed assets are stated at historical cost less accumulated depreciation. Interest on borrowed money allocated to and utilized for qualifying fixed assets, pertaining to the period up to the date of capitalization is capitalized. Assets acquired on direct finance lease are capitalized at the gross value and interest thereon is charged to profit and loss account. Intangible assets are stated at the consideration paid for acquisition less accumulated amortization. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date and the cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress

**e) IMPAIRMENT OF ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance





## PACT INDUSTRIES LIMITED

sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of goodwill the impairment loss will be reversed only when it was caused by specific external events and their effects have been reversed by subsequent external event..

**f) INVENTORIES:**

Raw materials, sub-assemblies and components are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. Purchased goods-in-transit are carried at cost. Work-in-progress is carried at the lower of cost and net realisable value. Stores and spare parts are carried at cost, less provision for obsolescence. Finished goods produced or purchased by the Company are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

**g) TAXATION:**

Current income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and where the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

**h) FOREIGN CURRENCY TRANSACTIONS :**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting respective company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements ,are recognised as income or as expenses in the year in which they arise.

**i) EMPLOYEE RETIREMENT BENEFITS :**

**Provident fund:**

Employees receive benefits from a provident fund, a defined contribution plan. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. A contribution is made to the provident fund trust is made to the Government's provident fund. During the year Rs 87106.00 have been contributed towards the contribution plan.

**j) WRITE OF MISCELLANEOUS EXP :**

Revenue Expenditure is written off over as period of 10 years in accordance with provision of section 35-d of Income-Tax Act, 1961.

**k) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



## PACT INDUSTRIES LIMITED

### **l) CASH FLOW STATEMENT**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a 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.

### **m) CASH & CASH EQUIVALENTS**

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

#### **Depreciation**

The Company has provided for depreciation at the rates specified in Schedule XIV to the Companies Act, 1956, except in cases of the following assets, which are depreciated at commercial rates, which are higher than the rates specified in Schedule XIV.

#### **Investments**

Long term investments are stated at cost less provision for diminution in the value of such investments. Diminution in value is provided for where the management is of the opinion that the diminution is of permanent nature. Short term investments are valued at lower of cost and net realizable value

#### **Borrowing costs**

Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to get ready for their intended use are capitalised. Borrowing cost which are not relatable to qualifying asset are recognized as an expense in the period in which they are incurred.

**Previous Year figures** ended on 31.03.2014 have been given and same have been regrouped/rearranged for comparison.

**Contingent Liabilities** not provided for in respect of business during the year is NIL.

#### **Debtors & Creditors Confirmations**

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

#### **Operating Expenses**

##### **Auditor's remuneration**

Auditor's remuneration in relation to the company statutory audit amounts to Rs 25000.00. The following fees were payable by the company to their principal auditor, M/S Rajesh Mehru & Co.:

	<b>Current year</b>	<b>Previous Year</b>
<b><u>Audit fees for the Company's statutory audit:</u></b>		
Fees relating to <b>Audit Matters</b>	19000.00	19000.00
Fees relating to <b>Taxation Matters</b>	6000.00	6000.00

##### **Details of Remuneration paid to Directors**

The Directors have been appointed for a period of five years from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending 31st March 2015, are as under:



## PACT INDUSTRIES LIMITED

(Amount in Rs.)

Name of the Director	Salary & Allowances	Retirement Benefits
Harpreet singh	240000.00	Nil

Detail of transactions entered into with the related parties during the year as required by Accounting Standard (AS)-18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are as under:

### Transactions with the related parties

Name of Transactions during the year	Associate	Key Management Personnel	(In Rs)
			Relatives of Key Management Personnel
Remuneration	NIL	240000	NIL
Rent Paid	NIL	210000	NIL
Loan Taken	NIL	9524723	1115000
Loan Repaid	NIL	4453100	350000
Professional Charges	NIL	10000	NIL
Sale Of Goods	218699014	NIL	31209803
Purchase of Goods	221473769	NIL	45716877

\* **Note** : Amounts shown in bracket relates to previous year figures.

### A. Key Management Personnel and relatives of Key Management Personnel:

#### 1. Key Management Personnel:

Gurdeep Singh, Managing Director  
Harpreet Singh, Managing Director  
Sakshi Sharma, Company Secretary

#### 2. Relatives of Key Management Personnel

Charanpreet Singh, Gurdeep Singh, TanuPreet Kaur,

### B. Associates:

- i) Taksonz Developers & Infrastructure Ltd.
- ii) Kartarz Alloys P.Ltd.
- iii) Preet Overseas
- iv) Kartarz Hotel Estates P.Ltd.

### Deferred Tax Asset / Liability (Net) :

	Deferred Tax Liability (Assets) as at 01.04.2014	Current Year Charge/Credit	Deferred Tax Liability (Assets) at 31.03.2015
Deferred Tax Liability	107774.00	77805.00	185579.00

Pursuant to Accounting Standard (AS-22) – Accounting for Taxes on Income. The company has recorded a net accumulative deferred Tax Liability of Rs. 29487.00 up to 31.03.2014. Further impact of deferred tax Liability of



## PACT INDUSTRIES LIMITED

Rs.77805.00 for the year ended 31.03.2015 has been debited to Profit & Loss Account making the total exposure of deferred tax Liability Rs.185579.00 as on year ended 31.03.2015. A detailed bifurcation between current tax and deferred tax charge is made at the year end.

### **Earning per share (EPS) :**

The numerators and denominators used to calculate Basic earning per share are reported as under :-

	<b><u>Year Ended</u></b>	<b><u>Year Ended</u></b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
Profit attributable to the Equity Share Holder Rs.(A)	1166791.00	1375674.23
Basic/Weighted Average No. of Equity Share Outstanding during the year (B)	4940800	4940800
Nominal Value of the Equity Share	10.00	10.00
Basic/Earning per Share Rs. (A)/(B)	0.24	0.28

**No personal expenditure** has been debited in the books of accounts.

**C.I.F. value of imports :** \$1981521

**Exchange difference earnings :** During the year company has made an import of scrap (raw material), and any fluctuation/ foreign exchange difference has already has been debited to purchase account.

**FOR RAJESH MEHRU & CO.,  
CHARTERED ACCOUNTANTS  
FIRM REG NO:011715N**

**ON THE BEHALF OF THE BOARD**

**-sd-  
RAJESH MEHRU  
PARTNER  
M.NO. 090725**

**-sd-  
HARPREET SINGH  
(MANAGING DIRECTOR)  
DIN: 00570541**

**-sd-  
AVTAR SINGH  
(DIRECTOR)  
DIN: 00570465**

**DATE 25 MAY, 2015  
LUDHIANA**

**PACT INDUSTRIES LIMITED**

Registered Office : 303 Hotel The Taksonz, opp. Railway Station, Ludhiana- Punjab  
 CIN: L18101PB1993PLC013193 Phone 0161-2845888, 2844888 Fax: 161-2721876  
 Email : [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com) Website: [www.pactindustries.com](http://www.pactindustries.com)

**ATTENDANCE SLIP**

Regd. Shareholder folio No.		Name and Address of the Registered Share
No. of Shares held		

I being the Registered Shareholder/ proxy for the registered shareholder of the Company hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company held on Wednesday, 30<sup>th</sup> day of September, 2015 at 3:00 p.m. at 303 Hotel The Taksonz, Opp. Railway station, Ludhiana and any adjournment(s) thereof

Signature of the Shareholder / proxy

-----  
**PACT INDUSTRIES LIMITED**

Reg Office : 303 Hotel The Taksonz, Opp. Railway Station, Ludhiana  
 CIN: L18101PB1993PLC013193 Phone : 0161-2845888, 2844888  
 Email: [pactindustries1993@gmail.com](mailto:pactindustries1993@gmail.com) Website: [www.pactindustries.com](http://www.pactindustries.com)

Form No. MGT-11

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L18101PB1993PLC013193

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

**Registered Office:** 303 Hotel The Taksonz, Opp. Railway Station, Ludhiana

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

I/We, being the member (s) of ..... shares of the above Pact Industries Limited, hereby appoint

- Name: ..... Address: .....  
 E-mail Id: ..... Signature:....., or failing him
- Name: ..... Address: .....  
 E-mail Id: ..... Signature:....., or failing him
- Name: ..... Address: .....  
 E-mail Id: ..... Signature:....., or failing him

Below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the company, to be held on Wednesday, September 30, 2015 at 3:00 p.m. at 303 Hotel The Taksonz, Opp. Railway station, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business
1. Adoption of Audited Financial Statement of the company for the Financial Year ended March 31 <sup>st</sup> , 2015 and the reports of the Board of Directors and auditors thereon.
2. Appoint a director in place of Mr. Avtar Singh (DIN -00570465) who retires by rotation and being eligible offers himself for re-appointment.
3. Appoint a director in place of Mr. Narinderjit Singh (Din- 01368026) who retires by rotation and being eligible offers himself for re-appointment
4. Appointment of M/S Rajesh mehru & Co. as Statutory Auditors and fixing their remuneration
SPECIAL BUSINESS
5. Appointment of Mrs. Jasjeet Kaur (DIN: 07130910) as an Independent Director

Signed this .....day of.....2015

Signature of shareholder

Signature of Proxy holder(s)



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

## Book Post


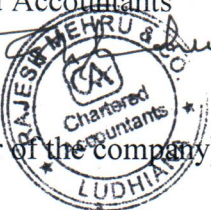


If Undelivered please return to

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

## FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	Pact Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of Observation	Not Applicable
5.	To be signed by –  Harpreet Singh (Managing Director)  Sanjay Jain (CFO)  Rajesh Mehru & Co. Chartered Accountants   Partner (Auditor of the company)  Harpreet Singh (Audit Committee Chairman)	