

PACT INDUSTRIES LIMITED

ANNUAL REPORT

An abstract geometric graphic consisting of several overlapping, semi-transparent blue and grey rectangular blocks of varying sizes and orientations, creating a layered, architectural effect.

2019-2020



CORPORATE INFORMATION

BOARD OF DIRECTORS	
Managing Director	Mr. Harpreet Singh
Chief Financial Officer	Mr. Sanjay Jain
Directors (Independent)	Mr. Sunil Rana Mrs. Jasjeet Kaur
Director	Mr. Eshaan Singh Takkar
Company Secretary	--
Statutory Auditors	M/s. Parmod G Gupta & Associates.
Secretarial Auditors	M/s. Rajeev Bhambri & Associates
Bankers	State Bank of India Overseas Branch Ludhiana
Registered Office	303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008
Registrar & Share Transfer Agent	Skyline Financial Services Private Limited D-153 A, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel: 011- 64732681-88 Web: www.skylinerta.com
38th ANNUAL GENERAL MEETING	CONTENTS OF REPORT
Day: MONDAY Date: 28th December, 2020. Time: 12:00 Noon. Place: 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008	Notice Directors' Report Management Discussion & Analysis Report Corporate Governance Report Auditors' Report Profit & Loss Statement Balance Sheet Cash Flow Statement Notes on Accounts

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of the Company will be held on Monday, the 28th December, 2020 at 12:00 Noon at the Registered Office of the company situated at 303, Hotel The Taksonz, Opp. Railway Station, Ludhiana-141008 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2020 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors.
2. To appoint Mr. Harpreet Singh (DIN: 00570541) who retires by rotation and being eligible offers himself for re-appointment.
3. **To Appoint M/S. Parmod G Gupta & Associates, Chartered Accountants as Statutory Auditors of the Company.**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of **M/S. Parmod G Gupta & Associates, Chartered Accountants**, as the Statutory Auditors of the Company commencing from Annual General Meeting for the Financial Year 2020-2021 till the conclusion of Annual General Meeting of the Company to be held in the Financial Year 2022-2023 i.e. till 29th Annual General Meeting at such remuneration as may be agreed upon by the Board of Directors and the Auditors."

SPECIAL BUSINESS

4. **Re-appointment of Mrs. Jasjeet Kaur (DIN: 07130910) as an Independent Director of the Company for term of Five Years.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, as recommended and approved by Nomination and Remuneration Committee, Mrs. Jasjeet Kaur (DIN: 07130910), whose term of office is expiring on 24th March, 2020 and in the express opinion of the Board, is eligible to be appointed/re-appointed as an Independent Director of the company, fulfills the conditions specified in the Companies Act, 2013 and all applicable rules thereof, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 25th March, 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make necessary filings of any statutory forms or other documents and to do all such acts and things as may be necessary in this regard."

5. **To Increase the Borrowing Powers of the Company under Section 180(1) (c) of the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, the consent of the members of the Company be and is hereby accorded by way of special resolution, to the Board of Directors of the Company ("Board") for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit, by way of

loans, issuance of bonds, notes, debentures or other securities whether convertible into equity/ preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons, up to an aggregate amount of Rupees Twenty Crore notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make necessary filings of any statutory forms or other documents and to do all such acts and things as may be necessary in this regard."

6. To Increase the Borrowing Powers of the Company for Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1) (a) of the Companies Act, 2013.

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

"RESOLVED THAT pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, consent of the members of the Company be and is hereby accorded by way of a special resolution to the Board of Directors ("Board") of the Company to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating (in addition to any other hypothecation, pledge, lien, mortgage, charges created/to be created by the Company), in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, and the whole or substantially the whole of the undertaking(s) or any properties of the Company where so ever situated, in favour of banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the "Lenders") to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party from time to time (including without limitation, the due payment of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, termed as "Financial Indebtedness") in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed Rupees Twenty Crore at any time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to approve pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required and to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

Date: 30.11.2020
Place: Ludhiana

By the Order of the Board
For Pact Industries Limited

(Managing Director)
Harpreet Singh
DIN: 00570541

NOTES:

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

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members / proxies / authorized representatives should bring the duly filled Attendance Slip herewith to attend the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. Only registered members of the Company or any proxy appointed by such registered member, as on the cut-off-date decided for the purpose, being 22nd December, 2020 may attend and vote at the "AGM" meeting as

provided under the provisions of the Companies Act.

7. ***In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent ONLY through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <http://www.pactindustries.in>, website of the Stock Exchange , i.e., BSE Limited at www.bseindia.com and MSEI at <https://www.msei.in/> . Physical copies of the Annual reports will not be sent to the shareholders due to COVID-19 and exemption by SEBI. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM.***
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
9. COVID note and Precautions while holding AGM

All the members who wishes to attend the AGM are requested to wear mask throughout the continuance of the meeting. Temperature of all the attendees shall be checked at the entrance of the venue of the meeting and anyone found having fever shall not be allowed to attend. Any shareholder having symptom of infection of COVID19 are requested not to attend the meeting.
10. Members may also note that the Notice of the said "AGM" will also be available on the Company's website www.pactindustries.com and on the website of CDSL at www.evotingindia.com for download. The physical copy of the notice will also be available at the Company's Registered Office at **303 Hotel The Taksonz, Opp. Railway Station, Ludhiana- 141008** for inspection during normal business hours on working days.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Head Office of the Company during normal

business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM of the Company.

12. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and as per Regulation 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and any amendment there to, the Company is pleased to provide members, a facility to exercise their right to vote at the Annual General Meeting (AGM) on the item of business given in this notice by electronic means (remote- e-voting) and the business may be transacted through remote e-voting Services provided by Central Depository (Services) India Limited (CDSL).

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

Steps for remote e-voting

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric "PAN issued by Income Tax Department(Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number (sequence number is mentioned on the address sticker) in the PAN Field. 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in

- (i) **The remote e-voting period** begins on **Friday, 25th December, 2020 at 9.00 a.m. and will end on Sunday, 27th December, 2020 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date i.e. **22nd December, 2020**, may cast their vote electronically. The remote e-voting modules shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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.

demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be

also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the (EVSN) for **<201124012>**.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m- voting available for mobiles. The m- voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **22.12.2020**, may follow the same instructions as mentioned above for remote e-voting. The Voting rights of the members shall be in proportion to their shares in the paid up capital of the company as on the cut off date i.e. **22.12.2020**. A person whose name is recorded in the Register of members or in the Register of Beneficial owners maintained by the Depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the said meeting. A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.
- In case of any queries or issues regarding e-voting, members may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. Further Mr. Wenceslaus Furtado Deputy Manager having address i.e. Central Depository Services (India) Limited 16th Floor, P. J. Towers, Dalal Street Fort, Mumbai – 400001, email id: helpdesk.evoting@cdslindia.com and contact number 18002005533 is responsible to address the grievances connected with facility for voting by electronic means.
- The Board of Directors has appointed Mr. Rajeev Bhambri, Practicing Company Secretary (CP No.: 9491, FCS: 4327) of M/S Rajeev Bhambri & Associates, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. He has communicated his willingness



PACT INDUSTRIES LIMITED

- to be appointed and will be available for same purpose.
- The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than forty eight hours of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- Chairman or the person authorized by him in writing, shall forthwith on receipt of the consolidated Scrutinizer's Report declare the results of voting within 48 hours of the conclusion of this AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pactindustries.com and on the website of CDSL immediately after the result is declared by the Chairman and shall also be communicated to the BSE Limited (BSE) and Metropolitan Stock exchange of India Ltd, where the shares of the Company are listed.

Date: 30.11.2020
Place: Ludhiana.

By the Order of the Board
For Pact Industries Limited.

(Managing Director)
Harpreet Singh
DIN: 00570541

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

Item No. 4

Mrs. Jasjeet Kaur was appointed as an Independent Director of the company in the annual general meeting held on 25th March, 2015 for a period/term of five years. Her term of office is expiring and in the express opinion of the Board, is eligible to be appointed/re-appointed as an independent director of the company, fulfills the conditions specified in the companies act 2013 and any applicable rules thereof. In accordance with the provisions of Section 149(10) of the Companies Act, 2013, Special Resolution is required for appointment of an Independent Director for the second term of five years.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mrs. Jasjeet Kaur is concerned or interested, financially or otherwise, in the resolution. The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Item No.5 & 6:

The members of the Company wishes to approve resolution by way of a Special Resolution under Section 180(1) (c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rupees Twenty Crore. The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of it's authorized Committee of the Company from time to time, in consultation with the lender(s). It is therefore, necessary for the members to pass a Special Resolution under Section 180(1) (a) and 180(1) (c) of the Companies Act, 2013, as set out at Item No. 5 and Item No. 6 of the Notice, to enable the Board of Directors to borrow money up to Rupees Twenty Crore and inter alia, authorized the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution as per the accompanying Notice, for approval by the Shareholders of the Company. None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

Date: 30.11.2020
Place: Ludhiana.

By the Order of the Board
For Pact Industries Limited.

(Managing Director)
Harpreet Singh
DIN: 00570541

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

The Members,
Pact Industries Limited.
Ludhiana.

Your directors feel pleasure in presenting the 27th Annual Report together with Audited Annual Accounts of Pact Industries Limited for the year ended 31st March, 2020.

1. FINANCIAL RESULTS:

The summary of the financial performance of the Company for the financial year ended March 31, 2020 compared to the previous year ended March 31, 2019 is given below:

Particulars	(in lakh)	
	Financial Year ended 31 st March, 2020	Financial Year ended 31 st March, 2019
Revenue from Operations and Other Income (Total Revenues)	3678.72	5607.50
Gross profit before interest and depreciation	93.62	143.78
Finance cost	55.27	96.40
Profit before depreciation and amortization- (Cash Profit)	38.35	47.37
Depreciation and Amortization	20.51	20.06
PBT before exceptional items	17.84	27.31
Exceptional items	0.00	0.00
Profit before Tax (PBT)	17.84	27.31
Provision for Tax- Current	6.43	9.16
Provision for Tax- Deferred	4.24	17.08
Profit after Tax	15.65	35.23
Earnings Per Share (EPS) (in Rs) (after exceptional item)		
- Basic	0.00	0.07
- Diluted	0.00	0.07

2. STATE OF COMPANY'S AFFAIRS:

Total Revenue from Operation for the year is Rs.3603.53 Lakhs as compared to Rs. 5484.92 Lakhs of previous year. The Net Profit for the year ended 31.03.2020 is Rs.15.65 Lakhs as compare to Net Profit of Rs.35.23 Lakhs for the previous year.

3. TRANSFER TO RESERVE:

The company has not transferred profits in Reserves and surplus.

4. DIVIDEND:

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

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

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

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

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