



**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	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. Sanjay 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
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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)