

To,  
The Secretary,  
Department of Corporate Services,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai-400001, Maharashtra

Date: 08-09-2022

Ref: Promax Power Limited (BSE Code: 543375)

Dear Sir/Madam,

**Sub: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34(1) of the SEBI [Listing Obligations and Disclosure Requirements) Regulations, 2015, we attached herewith a Notice of 5<sup>th</sup> Annual General Meeting (AGM) of the Company along with Annual Report for the financial year 2021-22.

**The Schedule for 5<sup>th</sup> AGM of the Company is set out below:**

Day, date and time for 5 <sup>th</sup> , AGM	Friday 30 <sup>th</sup> September, 2022 at 10:00 am through VC/OAVM
Cut-off date for E-Voting	Friday 23 <sup>rd</sup> September, 2022
Remote E-Voting start date & time	Tuesday, 27 <sup>th</sup> September, 2022
Remote E-Voting ends date & time	Thursday, 29 <sup>th</sup> September, 2022
Book Closure	Friday 30 <sup>th</sup> September, 2022 to 30 <sup>th</sup> September, 2022


The aforesaid Notice of 5<sup>th</sup> AGM along with Annual Report for the financial year 2021-2022 is being sent through electronic mode to those shareholders whose email Ids are registered with the Company / Cameo Corporate Services Limited, Registrar and Transfer Agents (RTA) of the company and the Depositories/Depository participants.

The Notice of 5<sup>th</sup> AGM along with Annual Report is also available on the Company's website i.e. [cs@promax.co.in](mailto:cs@promax.co.in) and will also available on website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com). You are requested to take the same on record.

Kindly take note of the above and bring this to the notice of concerned.

Thanking You,

**For Promax Power Limited**

  
**Promax Power Limited**  
**Director**  
**Vishal Bhardwaj**  
**Managing Director**  
**(DIN: 03133388)**

**Promax Power Limited**

CIN U74999CH2017PLC041692

Turnkey T&D | EPC | Substations & Transmission Lines | Transformers | Water & Sewage Treatment Plant

**Registered :** 1575 Sector 38-B  
Chandigarh 160014 UT India

**Chandigarh:** F-303, Industrial  
Area, Phase 8-B, Mohali -160055

**Delhi:** No 303, Kamaraj Road Annex,  
Commercial Plaza Bangalore - 560042

**Kolkata:** 101,1st floor, Tollygunge Circular  
Road, Kolkata -700053 West Bengal



**3SE**  
Bombay Stock Exchange  
Listed Company

EPC Power | T&D | Substations | Transmission Lines | Water

# Promax Power Limited

*ISO 14001:2015 :: OHAHS 45001:2018*

**5th** Annual Report  
FY2021-22

CIN: U74999CH2017PLC041692





## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Mr. Vishal Bhardwaj	Managing Director
Ms. Shweta Bhardwaj	Executive Director* (Non Executive w.e.f 16 <sup>th</sup> August, 2022)
Mr. Pawan Kumar Jain	Independent Director
Mr. Sanjay Kumar	Independent Director
Mr. Siddharth Shukla	Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER** Mrs Puneet Kaur

**CHIEF FINANCIAL OFFICER** Mr Amar Nath Dey

**STATUTORY AUDITOR** M/s Harjeet Parvesh & Co., Chartered Accountants

**SECRETARIAL AUDITOR** M/s Hitarth S Shah & Associates, Practicing Company Secretary

**BANKERS:** Karnataka Bank Limited

**REGISTERED OFFICE:** House No. 1575, Gr. Floor, Sector 38-B, Chandigarh 160014 India

### 5<sup>TH</sup> ANNUAL GENERAL MEETING:

Day: Friday Date: 30<sup>th</sup> September, 2022 Time: 10:00 a.m. IST

Venue: Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

**EMAIL FOR INVESTOR GRIEVANCE:** cs@promax.co.in

**REGISTRAR AND TRANSFER AGENT (RTA)** Cameo Corporate Services Limited

### LISTING OF SHARE

Stock Exchange: BSE Limited

Scrip Code : 543375

Scrip Name : PROMAX

ISIN : INE012F01015

CIN : U74999CH2017PLC041692

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## **NOTICE OF 5<sup>TH</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **5<sup>th</sup> ANNUAL GENERAL MEETING** of the members of **PROMAX POWER LIMITED** ("the Company") will be held on Friday, the 30<sup>th</sup> day of September, 2022 at 10:00 A.M, Indian Standard Time (IST), through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt Standalone Financial Statement including Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2022 and statement of Profit and Loss and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022 together with Board of Directors' and Auditors' Report thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022, together with the Report of the Auditors thereon.
3. To reappoint director, Mrs. Shweta Bhardwaj (DIN: 03521776) who retires by rotation, and being eligible offers herself for re-appointment.

### **SPECIAL BUSINESS:**

4. **Increase in Authorised Share Capital of the Company and consequential amendment in Memorandum of Association of the Company**

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 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed thereunder, consent of the members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 6,00,00,000 (Rupees Six crore) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs.10/- each to Rs. 13,00,00,000 (Rupees Thirteen Crore only) divided into 1,30,00,000 (One CroreThirty Lakh) Equity Shares of Rs. 10/- each ranking paripassu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company."

**"RESOLVED FURTHER THAT** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place and stead the following:-

"V. The Authorised Capital of the Company is Rs. 13,00,00,000/- divided into 1,30,00,000 equity shares of Rs. 10/- each with power to increase and/or reduce the capital of the Company as provided in the Articles of Association of the Company."



**"RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

**5. Increasing the Borrowing Powers up to Rs 100 Cr. pursuant to 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 there under, 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"), to borrow from time to time for the purpose of Company's business and in accordance with Memorandum and Articles of Association of the Company, as it may think fit, any sum or sums of money on such terms and conditions as the Board may deem fit, by way of loans or otherwise from banks or any other persons, up to an aggregate amount of Rupees 100 Crores (One Hundred Crores) 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 be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution."

**6. Authorise Board to accept loan from Promoters or Non-Promoters Convertible into Equity at a later date under Section 62(3) of the Companies Act, 2013.**

To consider and if thought fit, to pass the following resolution with or without modification, if any, as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and in accordance with the Memorandum and Articles of Association of the Company and applicable regulations and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s) or sanction(s), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution), on the terms and conditions contained in the financing documents, such terms and conditions to provide, inter alia, to convert the whole or part of the outstanding loans of the Company not exceeding Rs. 100 crores (whether disbursed on or prior to or after the date of this resolution and whether then due or payable or not), (as already stipulated or as may be specified by the Promoter, Promoter Group, Non Promoters, Financial Institutions/Banks and anybody corporate entity(ies)) by the Company under the lending arrangements with various Banks, Financial Institutions, Promoters or any other persons or anybody corporate entity(ies), (hereinafter collectively referred to as the "Lenders"), at the option of the Lenders, the loans (hereinafter referred to as the "Financial Assistance"), into fully paid up equity shares of the Company on such terms and conditions as may be stipulated in the financing documents and subject to applicable law and in the manner specified in a notice in writing to be given by the Lenders (or

their agents or trustees) to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the Lenders or any other person identified by the Lenders as from the date of conversion and the Lenders may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank paripassu with the existing equity shares of the Company in all respects.

(iv) In the event that the Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, and list the shares in the Stock exchanges where Company's shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise the terms and conditions for raising the Financial Assistance, from time to time, with an option to convert the Financial Assistance into equity shares of the Company any time during the currency of the Financial Assistance, on the terms specified in the financing documents, including upon happening of an event of default by the Company in terms of the loan arrangements."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection with or incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution."

**“RESOLVED FURTHER THAT** the Board be and is hereby also authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution.”

#### **7.To Create, Offer, Issue and Allot Equity Shares on Preferential Basis to Non Promoters:**

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 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the “Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated (“FEMA”), and rules, circulars, notifications, regulations and guidelines issued under FEMA, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), as amended from time to time, the listing agreements entered into by the Company with the BSE Limited (hereinafter known as, the “Stock Exchanges”) on which the Equity Shares of the Company having Face Value of Rs. 10/- each (“Equity Shares”) are listed, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the Ministry of Corporate Affairs (“MCA”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”) and/or any other competent authorities (hereinafter referred to as “Applicable Regulatory Authorities”) from time to time to the extent applicable and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be necessary or required and subject to such conditions as may be imposed or prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Members of the Company (“Members”) be and is hereby accorded to the Board to create, issue, offer and allot at an appropriate time, in one or more tranches, up to 20,00,000 (Twenty Lakhs) fully Paid up Equity Shares of the Company having a Face Value of Rs. 10/- (Rupee Ten Only) each at a price of Rs. 24/- (Rupees Twenty Four only) per Equity Share (including a premium of Rs. 14/- (Rupees Fourteen Only) per share (‘Preferential Allotment Price’), aggregating to not exceeding Rs. 4,80,00,000/- (Rupees Four Crore Eighty Lakh Only), to the Strategic Investors, Non Promoters ( listed in the table below) (Hereinafter referred to as “Allottees”), for raising of additional capital by the company on a preferential basis (“Preferential Allotment”) on such terms and conditions as may be determined by the Board in accordance with the SEBI ICDR Regulations and other applicable laws:

<b>Sr. No.</b>	<b>Name of the proposed Allottees</b>	<b>Max No. of Equity Shares of face value Rs.10/- each to be offered/ issued/ allotted</b>
<b>1</b>	Sidhesh Raval	1,00,000
<b>2</b>	Bipin Raval	1,00,000
<b>3</b>	Nishant Shah	1,00,000



4	Gayatri Shah	1,00,000
5	SangitaTundiya	1,00,000
6	NatvarsinhChavda	1,00,000
7	Dipika Shah	1,00,000
8	Parag Shah	3,00,000
9	M/s Ranjeet Mechatronics Limited	10,00,000
	<b>Total</b>	<b>20,00,000</b>

**“RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the “Relevant Date” for the purpose of determining the minimum issue price for the issue of equity shares on preferential basis be and is hereby fixed as 30<sup>th</sup> day of August, 2022 (31<sup>st</sup> August, 2022 was holiday so prior to 31<sup>st</sup> August, 2022 considered as relevant date) (The Relevant Date shall be 30 days prior to the date of passing of the Special Resolution i.e. 30<sup>th</sup> day of September, 2022, which is the date of Annual General Meeting of the members of the Company in accordance with Section 62(1)(c) of the Act and the applicable Rules there under)”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Shares under the Preferential Allotment shall be subject to following terms and conditions apart from others as prescribed under the applicable laws:

- I. 100% of the Preferential Allotment Price shall be payable at the time of application to the Equity Shares.
- II. The Equity Shares shall be allotted in dematerialised form within 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of equity shares is subject to receipt of any approval or permission from any regulatory authority or Government of India, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company, and shall rank pari- passu in all respects including dividend, with the existing Equity Shares of the Company.
- III. The Equity Shares allotted shall be subject to a lock-in for such period as specified under Chapter V of SEBI ICDR Regulations relating to Preferential Issues.
- IV. The price determined above shall be subject to appropriate adjustments as permitted under the rules, regulations and laws as applicable from time to time.
- V. The equity shares will be listed on the stock exchange subject to the receipt of necessary regulatory permissions and approvals as the case may be.”

**“RESOLVED FURTHER THAT** if any of the investor fails to apply within the stipulated time to the full extent of their eligibility or is found not eligible for the Preferential Allotment, the company shall allot the shares to the Investors (listed herein) upto the extent of their applications received.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013, the names of the Investors be recorded for the issue of invitation to subscribe to the Equity Shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Investors inviting them to subscribe to the Equity Shares, as per the draft tabled at the meeting, as available for inspection at the registered office of the company and duly initialled by the Chairman for the purpose of identification and consent of the members of the Company is hereby accorded to the issuance of the same to the Investor inviting it to subscribe to the Equity Shares.”

**“RESOLVED FURTHER THAT** the monies received by the company from the investors for application of the Equity Shares pursuant to this preferential issue shall be kept by the company in a separate bank account”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, matters, deeds and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, issuing clarifications on the offer, issue and allotment of the Equity Shares and listing of Equity Shares at the Stock Exchange as per the terms and conditions of SEBI LODR, Regulations and other applicable Guidelines, Rules and Regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisors for the Preferential Issue), resolving all questions or doubt that may arise with respect to the offer, issue and allotment of Equity Shares, and to authorize all such persons as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the members of the Company and that the decision of the Board shall be final and conclusive.”

**“RESOLVED FURTHER THAT** subject to SEBI Regulations and other applicable laws, the Board be and is hereby authorized to decide and approve terms and conditions of the issue of above mentioned Equity Shares and to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any Merchant Bankers or other Professional Advisors, Consultants and Legal Advisors as the Board in its absolute discretion shall deem fit to give effect to the aforesaid resolution.”

**“RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

**8. To approve terms of Loan Agreement dated 07<sup>th</sup> September, 2022 executed between the Company, Promoters and Promoter Group, in which the company is availing Unsecured Loan of Rs. 10,80,00,000 (Rupees Ten Crore Eighty Lakhs)**

**“RESOLVED THAT** the terms of the loan agreement dated 07<sup>th</sup> September, 2022 be approved which is executed between the Company, Promoters and Promoter Group (as listed below), in which the company is availing Unsecured Loan of Rs. 10,80,00,000 (Rupees Ten Crore Eighty Lakhs) from Promoter and Promoter Group, as per the schedule below, on following terms and conditions:

(i) the conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions during the currency of the Financial Assistance;

(ii) on receipt of the Notice of Conversion, the Company shall, subject to the provisions of the financing documents, allot and issue the requisite number of fully paid-up equity shares to the Lenders or any other person identified by the Lenders as from the date of conversion and the Lenders may accept the same in satisfaction of the part of the loans so converted;

(iii) the part of the loan so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the loan payable after the date of conversion as per the financing documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank pari passu with the existing equity shares of the Company in all respects.

(iv) In the event that the Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, and list the shares in the Stock exchanges where Company's shares are presently listed and for the said purpose the Company shall take all such steps as may be necessary to ensure that the equity shares are listed in the Stock Exchanges.

(v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion.

Sr. No.	Name of Lender	Amount (in Rs.)
1	Mr. Vishal Bhardwaj	1,44,00,000
2	Ms ShwetaBhardwaj	96,00,000
3	M/s SynerlabPvt Ltd	2,40,00,000
4	M/s Exirgy Innovation Pvt Ltd	1,20,00,000
5	M/s Promax Carbon Tier Pvt Ltd	1,20,00,000
6	M/s Jhatpat Management Service Pvt Ltd	1,92,00,000



7	M/s Invezy Ventures Pvt Ltd	1,68,00,000
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**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchanges and Regulatory Authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any Merchant Bankers or other Professional Advisors, Consultants and Legal Advisors as the Board in its absolute discretion shall deem fit to give effect to the aforesaid resolution.”

#### **9. To issue equity shares to Promoters and Promoter Group upon conversion of existing Unsecured Loan**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62 read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations, 2018”), Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (“SEBI Takeover Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and other competent authorities including relevant Stock Exchanges and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities, as applicable, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Shareholders of the Company be and is hereby accorded, for conversion of Unsecured Loan into equity shares. by creation, offer, allot and issuance , upto a maximum of 45,00,000 (Forty Five Lakh Only) fully paid-up equity shares of the Company, having face value of Rs. 10/- (Rupees Ten Only) each, at an issue price of Rs. 24/- per equity share (including a premium of Rs. 14/- per equity share) aggregating upto Rs. 10,80,00,000 (Rupees Ten Crore Eighty Lakh Only) to the following promoter and promoter group (hereinafter referred to as the “Proposed Allottees”).

Sr. No.	Name of the Proposed Allottees	Category	No. of Shares to be allotted
1	Mr. Vishal Bhardwaj	Promoter	6,00,000
2	MsShwetaBhardwaj	Promoter	4,00,000
3	M/s SynerlabPvt Ltd	Promoter	10,00,000
4	M/s Exirgy Innovation Pvt Ltd	Promoter	5,00,000
5	M/s PromaxCarbonTierPvt Ltd	Promoter	5,00,000

6	M/s Jhatpat Management Service Pvt Ltd	Promoter	8,00,000
7	M/s Invezy Ventures Pvt Ltd	Promoter	7,00,000
	<b>Total</b>		45,00,000

**“RESOLVED FURTHER THAT** in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the relevant date for the Preferential Issue of the Warrants convertible into Equity Shares is 30<sup>th</sup> day of August, 2022 (31<sup>st</sup> August, 2022 was holiday so prior to 31<sup>st</sup> August, 2022 considered as relevant date) (The Relevant Date shall be 30 days prior to the date of passing of the Special Resolution i.e. 30<sup>th</sup> day of September, 2022, which is the date of Annual General Meeting of the members of the Company in accordance with Section 62(1)(c) of the Act and the applicable Rules there under)”

**“RESOLVED FURTHER THAT** the equity shares to be allotted in terms of this resolution shall rank pari passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the SEBI (ICDR) Regulations.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board / Issue and Allotment Committee of the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, the RBI, the Government of India, etc. and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

**BY ORDER OF THE BOARD OF DIRECTORS OF  
PROMAX POWER LIMITED**

**SD/-**

**Vishal Bhardwaj  
Managing Director & Chairman**

**Place:** Chandigarh  
**Date:** 7<sup>th</sup> September, 2022

**Registered Office:**  
House No. 1575 Ground Floor ,  
Sector 38-B Chandigarh

### **IMPORTANT NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
3. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2021-2022 has been uploaded on the website of the Company at [www.promax.com](http://www.promax.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
8. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.



9. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.
10. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
13. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
14. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
15. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 23, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 23, 2022.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**STEP 1: Access to NSDL e-Voting system**

**A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in dematmode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under "<b>IDeAS</b>" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "<b>Register Online for IDeAS</b>" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



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

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

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

**B. Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, please follow steps mentioned below **in process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholder**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csprachi.ppa@gmail.com](mailto:csprachi.ppa@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Sarita Mote) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@promax.co.in](mailto:cs@promax.co.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@promax.co.in](mailto:cs@promax.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed

Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@promax.co.in](mailto:cs@promax.co.in). The same will be replied by the company suitably.



## Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.promax.co.in](http://www.promax.co.in) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company's shall simultaneously forward the results to and BSE Limited, where the shares of the Company are listed.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
PROMAX POWER LIMITED**

**SD/-**

**Vishal Bhardwaj**

**Managing Director & Chairman**

**Place:** Chandigarh

**Date:** 7<sup>th</sup> September, 2022

**Registered Office:**

House No. 1575 Ground Floor ,  
Sector 38-B Chandigarh

## **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

### **Item No.4.**

The present Authorised Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six crore) comprising of 60,00,000 (Sixty Lakh) Equity Shares of Rs.10/- each.

Considering the increased fund requirements of the Company, the Board had accorded its approval for increasing the Authorised Share Capital from Rs. 6,00,00,000 (Rupees Six crore) to Rs. 13,00,00,000 (Rupees Thirteen Crore) by creation of 70,00,000 (Seventy Lakh) additional equity share of Rs.10/- each, subject to shareholders' approval.

It is therefore proposed to increase the Authorised Share Capital of the Company from Rs. 6,00,00,000 (Rupees Six crore) to Rs. 13,00,00,000 (Rupees Thirteen Crore) by creation of 70,00,000 (Seventy Lakh) additional equity share of Rs.10/- each ranking pari passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Ordinary Resolution.

#### **Item No. 5.**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from Private Placement/various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit.

Hence it is proposed to increase the maximum borrowing limits upto Rs.100 Cr. (Rupees Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, Borrowing more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time requires the consent of the members of the Company in a general meeting.

Accordingly, the Board recommends the Special Resolution as Stated in Item No.5 for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

#### **Item No. 6.**

According to Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made there under to enable the Banks, Financial Institutions, Promoters, Promoter Group, Non Promoter or any other business entity (hereinafter referred to as the "Lenders") to convert the outstanding debt or any other financial assistance categorized as debt (hereinafter referred to as the "Financial Assistance"), in foreign currency or Indian Rupee, already availed or to be availed from the Lenders or as may be availed from the Lenders, from time to time, at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the Company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in General Meeting.

Pursuant to Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company also recommends to borrow any sum or sums of monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), from time to time, in such form and manner and on such terms and conditions as the Board may deem fit, such that the total amount borrowed and outstanding at any time shall not exceed 100 Crores (Rupees Hundred Crores Only) and to create charges on the Company's properties for securing the borrowings within the above limits and working capital facilities availed or to be availed by the Company. For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorised as loans), into fully paid up Equity

Shares of the Company; Accordingly, the Board recommends the resolution as set forth in the item no.6 of the Notice, to enable the Lenders, in terms of the lending arrangements, entered/to be entered and as may be specified by the Banks/Financial Institutions and anybody corporate entity(ies) under the financing documents already executed or to be executed in respect of the Financial Assistance availed/ to be availed, at their option, to convert the whole or part of their respective outstanding Financial Assistance into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable Securities and Exchange Board of India Regulations at the time of such conversion. The Company hereby clarifies that this resolution is merely an enabling resolution and there are no proposals of conversion of loan into Equity, either pending or envisaged currently.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/ concerned in this resolution, except to their respective shareholdings in the Company, if any.

### **Item No.-7 & 9**

The Board of Directors at their meeting held on 7<sup>th</sup> day of September 2022 had, subject to the approval of the members of the Company ('Members') and such other approvals as may be required, approved the issue of 20,00,000 (Twenty Lakh) Equity Shares to Non Promoters on a preferential basis and issue 45,00,000 shares against the outstanding loan of promoters as may be determined as per the provisions of chapter V of SEBI (ICDR) Regulations, 2018.

Your Company is in the business of Execution of Engineering, Procurement, Construction (EPC - Power & Solar) projects for Electrification, Power Substations, Underground Cabling from 11kV to 220kV. The company also provides Turnkey execution of Civil Infrastructure projects such as Industrial buildings and Turnkey execution of water infrastructure management projects such as water transmission and distribution work.

The proposed issue and allotment of Equity Shares on a preferential basis shall be governed by the applicable provisions of the SEBI ICDR Regulations and the Companies Act, 2013 read with the applicable provisions of the rules made there under. Further, in terms of Regulation 163 of the SEBI ICDR Regulations, certain disclosures are required to be made to the Members of the Company which forms part of this Explanatory Statement to the Notice.

The consent of the members is being sought by Special Resolution to enable the Board to issue the Equity Shares to the proposed allottee (promoter and non-promoter) in accordance with the provisions of the Companies Act, 2013 and the rules made there under, SEBI ICDR Regulations, as amended, SEBI LODR Regulations and any other applicable laws.

### **Details of the Issue**

The relevant disclosures as required under Chapter V of the SEBI ICDR Regulations are set out below:

#### **a. Objects of the Preferential Issue**

To raise working capital for the company to fulfill the orders received by the company and general corporate purposes

A quicker receipt of funds through the proposed preferential issue will fulfill the working capital requirements of the company, which will help to fulfill the orders received and increase the profitability

and cash flow prospects of the company.

Pursuant to the loan Agreement with lenders of the company it is proposed to convert the part of the outstanding unsecured loan of some of the promoters and promoter group into equity shares.

**b. The total number of Equity Shares and the price at which to be issued:**

**Total Number of Equity Shares**

The company proposes to issue and allot upto 65,00,000 (Sixty Five Lakh) Equity shares having face value of Rs. 10/- each at a premium of Rs. 14/- per Equity Share aggregating to Rs. 24/- per Equity Share aggregating to Rs 15,60,00,000 (Rupees Fifteen Crore Sixty Lakhs only)

**C. Preferential allotment price**

The existing Equity Shares of the Company are traded on BSE Limited. The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and BSE, being the Stock Exchange with higher trading volumes for the preceding ninety trading days prior to the Relevant Date, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations

In terms of the applicable provisions of the SEBI ICDR Regulations, the floor price for the Preferential Issue is Rs. 24 per Equity Shares. The price per Equity Share to be issued pursuant to the Preferential Issue is fixed at Rs. 24, being not less than the floor price computed in accordance with Chapter V of the SEBI ICDR Regulations.

**d. Intention of the Promoters, Directors, Key Managerial Personnel of the company to subscribe the offer:**

Only the following Promoters & Promoter Group have conveyed in writing to the Company to subscribe to the Equity Shares of the Company on a preferential basis by conversion of the unsecured loans given by them.

Sr. No.	Name of the Proposed Allottees	Category	No. of Shares to be allotted
1	Mr. Vishal Bhardwaj	Promoter	6,00,000
2	Ms Shweta Bhardwaj	Promoter	4,00,000
3	M/s Synerlab Pvt Ltd	Promoter	10,00,000
4	M/s Exirgy Innovation Pvt Ltd	Promoter	5,00,000
5	M/s Promax Carbon Tier Pvt Ltd	Promoter	5,00,000
6	M/s Jhatpat Management Service Pvt Ltd	Promoter	8,00,000
7	M/s Invezy Ventures Pvt Ltd	Promoter	7,00,000
	<b>Total</b>		<b>45,00,000</b>



**e. The shareholding Pattern of the Issuer before and after the preferential issue**

Shareholding Pattern before and after the proposed preferential issue of Equity Shares is as follows:

Sr. No.	Category	Pre Preferential Issue*		Post Preferential Issue (fully diluted)**	
		No. of Shares	%	No. of Shares	%
<b>A</b>	<b>Promoters' Holding</b>				
1	Indian Promoters				
	Individual Promoters	43,99,960	73.33	53,99,960	43.20
2	Bodies corporate	-	-	35,00,000	28.00
3	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>43,99,960</b>	<b>73.33</b>	<b>88,99,960</b>	<b>71.20</b>
<b>B</b>	<b>Non-Promoter Holding i.e. Public</b>				
1	<b>Institutional Investors/ Mutual Funds/ Banks/ FI/ FIs / Insurance Companies</b>	-	-	-	-
2	<b>Non Institution</b>				
	Bodies Corporate	20,000	0.33	10,20,000	8.16
	Directors and relatives	-	-	-	-
	Indian Public	1470040	24.50	24,70,040	19.76
	NRIs	30,000	0.50	30,000	0.24
	Others	80,000	1.33	80,000	0.64
	<b>Sub Total (B)</b>	<b>16,00,040</b>	<b>26.67</b>	<b>36,00,040</b>	<b>28.80</b>
	<b>Grand Total (A + B)</b>	<b>60,00,000</b>	<b>100%</b>	<b>1,25,00,000</b>	<b>100%</b>

\* As on September 6, 2022

\*\*The table shows the expected shareholding pattern of the Company upon assumption of the full allotment of shares as proposed and assumes that holding of all other shareholders shall remain the same post issue as they were on the date on which the pre issue shareholding pattern was prepared

**f. The Time within which preferential issue shall be completed**

As required under Chapter V of the SEBI ICDR Regulations, the Company shall complete the allotment of Equity Shares as aforesaid on or before the expiry of 15 (Fifteen) days from the date of passing of the Special Resolution by the shareholders granting consent for preferential issue or in the event allotment of Equity Shares would require any approval(s) from any regulatory authority or the Central Government, the allotment shall be completed within 15 (Fifteen) days from the date of such approval(s), as the case may be.

**g. The Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed Allottee**

The identity of the natural person who is the ultimate beneficial owner of the shares proposed to be allotted is given in the following table:

Sr. No.	Name of the Proposed Allottee	Category	Natural Persons who are the ultimate beneficial owners	Pre-issue Shareholding		No. of Equity Shares to be allotted	Post-issue Shareholding	
				No. of Equity Shares	%		No. of Equity Shares	%
1	Sidhesh Raval	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
2	Bipin Raval	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
3	Nishant Shah	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
4	Gayatri Shah	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
5	Sangita Tundiya	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
6	Natvarsinh Chavda-	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
7	Dipika Shah	Non-Promoters	Individual	-	-	1,00,000	1,00,000	0.80
8	Parag Shah	Non-Promoters	Individual	-	-	3,00,000	3,00,000	2.4
9	M/s Ranjeet Mechatronics Limited	Non-Promoters	Company	-	-	10,00,000	10,00,000	8.00
10	Vishal Bhardwaj	Promoters	Individual	34,77,480	57.96	6,00,000	40,77,480	32.62
11	Shweta Bhardwaj	Promoters	Individual	9,22,470	15.37	4,00,000	13,22,470	10.57
12	M/s Syner lab Pvt Ltd	Promoter Group	Company	-	-	10,00,000	10,00,000	8.00
13	M/s Exirgy Innovation Pvt Ltd	Promoter Group	Company	-	-	5,00,000	5,00,000	4.00
14	M/s Promax Carbon Tier Pvt Ltd	Promoter Group	Company	-	-	5,00,000	5,00,000	4.00
15	M/s Jhatpat Management Service Pvt Ltd	Promoter Group	Company	-	-	8,00,000	8,00,000	6.4
16	M/s Invezy Ventures Pvt Ltd	Promoter Group	Company	-	-	7,00,000	7,00,000	5.6

Further, there would be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of the Equity Shares

#### **h. Undertakings**

In terms of the ICDR Regulations, the Company hereby undertakes that:

- a. It shall re-compute the price of the Equity Shares issued in terms of the provisions of ICDR Regulations, where it is required to do so.
- b. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed Allottee.

#### **i. Pricing of the Preferential issue:**

The Equity Shares are proposed to be offered, issued & allotted at a price of Rs. 24/- per share which is not less than the price determined in accordance with the relevant SEBI ICDR Regulations which are summarized as under.

##### **(A) Price as per Regulation 164 of SEBI ICDR Regulations – higher of the following (1) or (2)**

- (1) 90 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company preceding the Relevant Date; or
- (2) 10 Trading Days volume weighted average price (VWAP) of the Equity Shares of the Company preceding the Relevant Date

**OR**

##### **(B) Price as per Regulation 166 A(1) of SEBI ICDR Regulations –**

The price determined as per the valuation report dated Septmeber7, 2022 from Omnifin Valuation Services (OPC) P Ltd an independent registered valuer having Registration No.: IBBI/RV/01/2018/10339, address at Diamond Arcade, #313, 68 Jessore Road, Kolkata 700055 **(the valuation report has been annexed to the explanatory statement** and also being hosted on the website of the Company at the address at [www.promax.co.in](http://www.promax.co.in)

**whichever is higher.**

#### **j. Relevant date with reference to which the price has been arrived at**

The “Relevant Date” in terms of Regulation 161 of the SEBI ICDR Regulations is August 30<sup>th</sup>, 2022 (31<sup>st</sup> August being holidays) being a date which is 30 (Thirty) days prior to the date of Annual General Meeting (AGM), i.e. September 30, 2022, to approve the proposed Preferential Issue.

#### **k. Practicing Company Secretary’s Certificate**

The Company has obtained a certificate dated September 06, 2022 from the Ms.Prachi P. Prajapati, Practicing Company Secretary (Proprietor of M/s PrachiPrajapati& Associates) certifying that the proposed issue of the Equity Shares is being made in accordance with the requirements of SEBI ICDR Regulations for Preferential Issues. A copy of the aforementioned certificate is being hosted on the website of the Company at the address at [www.promax.co.in](http://www.promax.co.in)

**l. Lock-in Period:**

The Equity Shares to be allotted on a preferential basis shall be locked-in for such period as specified under Regulations 167 of the SEBI ICDR Regulations.

**m. Basis on which the price has been arrived at along with report of the registered valuer**

Please refer 'h. Pricing of the Preferential issue' above.

**n. Change in control**

There shall be no change in management or control of the Company pursuant to this proposed issue.

**o. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer**

Shares issued to promoters against the conversion of their unsecured loan as per the terms and conditions.

**p. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;**

The Company has not made any preferential allotments during the year.

**q. The current and proposed status of the allottee post the preferential issue namely, promoter or non-promoter**

The Current and proposed status of the allottee post the preferential issue is "Promoter and Non-Promoter".

**r. Other Terms and conditions for Issue of Equity Shares**

1. The proposed allotment of Equity Shares does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI ICDR Regulations. Due to above preferential allotment of the Equity Shares, no change in management control is contemplated. The proposed Allottee shall be required to comply with the relevant provisions of the SEBI ICDR Regulations.
2. The Equity Shares arising out of issue of Equity Shares pursuant to the proposed resolution shall rank pari-passu in all respects with the existing Equity Shares of the Company and will be listed on National Stock Exchange of India Limited where the Equity Shares of the Company are listed.

**s. Other Disclosures**

- a. It is hereby confirmed that neither the Company nor any of its Promoters or Directors are a willful defaulters or a fraudulent borrowers.
- b. Neither the Company nor any of its Directors and / or Promoters are a fugitive economic offender as defined under the SEBI ICDR Regulations.



- c. The Board, in its meeting held on 07<sup>th</sup> September, 2022 has approved the issue of Equity Shares on preferential basis to the proposed Allottee in the manner stated hereinabove, subject to the approval of members and other approvals, as may be required.
- d. The Company is eligible to make the Preferential Issue to its allottees under Chapter V of the SEBI ICDR Regulations
- e. As the Equity Shares have been listed for a period of more than ninety days as on the Relevant Date, the provisions of Regulation 164(3) of SEBI ICDR Regulations governing re-computation of the price of shares shall not be applicable
- f. The Company shall re-compute the price of the Equity Shares to be allotted under the Preferential Allotment in terms of the provisions of SEBI ICDR Regulations where it is required to do so
- g. the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the Equity Shares to be allotted under the Preferential Allotment shall continue to be locked-in till the time such amount is paid by the allottees.
- h. The Company is in compliance with the conditions for continuous listing of Equity Shares as specified in the listing agreement with the Stock Exchanges and the Listing Regulations, as amended and circulars and notifications issued by the SEBI there under.

The Board recommends the Special Resolution mentioned at Item No. 7 of the Notice, for the approval of the Members.

#### **Item No.8**

The Company has availed financial assistance from certain Promoter and Promoter group to meet the requirement of working Capital of the Company in the form of Unsecured Loan upon the terms to convert the same into equity. Our Company is growing company and required funds to fulfill its working capital requirement and for that company has availed unsecured loan from its promoters and enter into an agreement to convert such loan into equity as per the terms and conditions mentioned in the resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be interested/ concerned in this resolution, except to their respective shareholdings in the Company, if any.

# ANNEXURE TO THE NOTICE DATED SEPTEMBER 30<sup>th</sup>, 2022

The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are as follows

<b>Name of Director</b>	<b>Shweta Bhardwaj (DIN: <a href="#">03521776</a>)</b>
Date of Birth	11/10/1985
Date of Appointment	21/08/2017
Educational Qualification	Bachelor of Dental Surgery
Expertise in specific functional areas - Job profile and suitability	She has been involved managing human resource and admin related activities for the company since inspection. She develops and implement HR strategies and initiatives aligned with overall business strategy, Bridge management and employee relations by addressing demands, grievances or other issues. She also manages the recruitment and selection process, support current and future business needs through the development, engagement, motivation and preservation of human capital. She develops and monitor overall HR strategies, systems, tactics and procedures across the organization, nurture a positive working environment, assess training needs to apply and monitor training programs, Ensure legal compliance throughout human resource management
Directorships held in other companies (excluding foreign companies, Section 8 companies and Struck off Companies and our Company)	<ol style="list-style-type: none"> <li>1. Spitzer Solar Private Limited</li> <li>2. Jhatpat Management Services Private Limited</li> <li>3. Synerlab Private Limited</li> <li>4. Promax Carbontier Private Limited</li> <li>5. Promax Power Limited</li> <li>6. Exirgy Innovations Private Limited</li> <li>7. Scholab Global Limited</li> </ol>
Shareholding in the Company	9,22,470 shares
Inter-se Relationship with other Directors	Mr. Vishal Bhardwaj is Husband of Shweta Bhardwaj

## **DIRECTORS REPORT**

To,  
The Members,  
**Promax Power Limited**

Your Directors have pleasure in presenting herewith the 5<sup>th</sup> Annual Report together with the Audited Standalone and consolidated financial statements of the company for the Financial Year ended March 31, 2022.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY(STANDALONE)**

The Board's Report is prepared based on the stand alone financial statements of the company.

**(Amount in Rs)**

PARTICULAR	FY 2021-22	FY 2020-21
<b>Total Income for the year was</b>	39,75,21,268	36,88,90,886
<b>Profit/(Loss) Before Financial Expenses, Depreciation And Taxes</b>	40,61,07,939	37,19,18,078
<b>Out of which, Provisions have been made for:</b>	---	---
<b>Less: Financial Charges</b>	1,06,61,360	53,34,917
<b>Less: Depreciation</b>	9,58,593	9,84,218
<b>Less: Provision For Tax</b>	---	---
<b>Add: Deferred Tax</b>	10,08,638	25,55,499
<b>Profit/(Loss) After Tax</b>	20,24,643	43,34,697

### **2. STATE OF THE COMPANY AFFAIRS**

Total Revenue from operation of the company is Rs. 39,57,91,590/- And the net profit is Rs. 20,24,643/- For the Financial year 2021-22.

### **3. DIVIDEND**

The Board of directors of your company has not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2022, as profit of the Company used for the growth of the Company.

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

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **5. TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to General Reserves account.

## 6. **CHANGE IN THE NATURE OF THE BUSINESS**

During the year, there is no change in the nature of the business of the Company.

## 7. **DIRECTORS & KEY MANAGERIAL PERSONNEL**

The Board composition of the Company shall be as follows

Sr. No.	Name of Directors/KMPs	Designation
1	Vishal Bhardwaj	Managing Director
2	Shweta Bhardwaj	Director
3	Pawan Kumar Jain*	Non Executive Director
4	Sanjay Kumar**	Non Executive Independent Director
5	Siddharth Shukla**	Non Executive Independent Director
6	Amar Nath Dey #	Chief Financial Officer
7	Puneet Kaur#	Company Secretary

- During the year under review Ms. Geeta, Reema Devi and Minakshi resigned from the post of Independent Director on 27<sup>th</sup> August, 2021.

\* Mr. Pawan Kumar Jain appointed as Non Executive Director on 6<sup>th</sup> April, 2021 and resigned on 16<sup>th</sup> August, 2022.

\*\* Mr. Sanjay Kumar and Mr. Siddharth Shukla appointed as Independent Directors on 27<sup>th</sup> August, 2021.

# Mr. Amarnath Dey was appointed as Chief Financial Officer and Ms. Puneet Kaur appointed as Company Secretary and Compliance officer on 6<sup>th</sup> August, 2021

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received necessary declaration from each Independent Director confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## 8. **NUMBER OF BOARD MEETINGS**

During the Year under the review the Board of Directors met 16 (Sixteen) times, Details of the Meetings are as under.

### **Board Meetings held during the Year**

<b>Date on which the Board Meetings were held</b>	<b>Total Strength of the Board</b>	<b>No of directors present</b>
06/04/2021	3	3
09/04/2021	3	3
10/04/2021	3	3
30/06/2021	3	3
06/08/2021	3	3
11/08/2021	3	3
20/08/2021	3	3
27/08/2021	5	5
01/09/2021	5	5
06/09/2021	5	5
16/09/2021	5	5
25/09/2021	5	5
06/10/2021	5	5
12/10/2021	5	5
14/11/2021	5	5
28/02/2022	5	5

In respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

### **Attendance of Directors at Board Meetings and Annual General Meeting**

<b>Name of Director</b>	<b>Category of Directors</b>	<b>Attendance</b>	
		<b>Board</b>	<b>Last AGM</b>
Mr. Vishal Bhardwaj	Managing Director	16	Yes
Ms. Shweta Bhardwaj*	Executive Director	16	Yes
Mr. Pawan Kumar Jain**	Non Executive Director	9	Yes
Mr. Sanjay Kumar	Independent Director	9	Yes
Mr. Siddharth Shukla	Independent Director	9	Yes

\* Ms. Shweta Bhardwaj appointed as non executive director w.e.f 16<sup>th</sup> August, 2022

\*\* Mr. Pawan Kumar Jain resigned from the post of director w.e.f 16<sup>th</sup> August, 2022

## **9. BOARDEVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015 The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee. The evaluation



covered functioning and composition of the Board and its committees, understanding of the roles and responsibilities, experience, competencies, participation at the Board and Committee meetings, corporate governance practices etc.

Evaluation of the Board and its compositions was carried out through a defined process covering the areas of the Boards functioning viz. composition of the Board and Committees, understanding of roles and responsibilities, experience and competencies, contribution at the meetings etc.

#### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures;
- (b) The directors have 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/loss of the company for that period;
- (c) The directors have 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 have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (g) Company has complied with all the Secretarial Standards applicable to it.

#### **11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, such Controls were tested and no reportable material weakness was observed

#### **12. CHANGE IN CAPITAL STRUCTURE OF COMPANY**

During the year under review our paid capital increased from Rs. 4,40,00,000 to Rs. 6,00,00,000.

### **13. MATERIAL CHANGES AND COMMITMENTS, IF ANY**

There are No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

### **14. EXTRACT OF THE ANNUAL RETURN**

According to Section 92 of the Companies Act, 2013 the web link of the annual return is [www.promax.co.in](http://www.promax.co.in)

### **15. AUDITORS AND THEIR REPORT**

#### **- STATUTORY AUDITORS**

**M/s Harjeet Parvesh & Co., Chartered Accountants (FRN: 17447N)** Statutory Audit Firm were appointed at the Annual General Meeting held on 29.09.2021 to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the AGM held in the year 2026-27. Consent of the Auditor has been taken for such appointment. With reference to the remarks and observation of the Statutory Auditor, the following explanations have been submitted by the board of directors of the company.

Qualification of Auditor: The Company's inventories are carried in the balance sheet at Rs. 10.21 Crores which is increased by 3.32 crores from the previous year inventory of Rs.6.89 crores. Management has stated in the financial statements that the inventory is valued as per first in first out method but they are not been able to produce the proper record of inventory to ensure the closing stock figures are correct as per the method used by them. In addition to that we are not able to access that the basis of valuation of inventory due to non production of proper records by the management. In light of above, consequential impact of non availability of stock record is not ascertainable

Management Reply: We have followed first in first out method for Inventories which was ascertained the total value of the inventory. Company will take necessary efforts in future to provide the necessary records

#### **- COST AUDITORS**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

#### **- SECRETARIAL AUDITORS**

In terms of Section 204 of the Act and Rules made there under M/s Hitarth S Shah & Associates A Practicing Company Secretary have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed to this report as "**Annexure – A**". With the reference to the remarks and observation of Secretarial Auditor, the following explanations have been submitted by Board of Directors.

Qualification of Secretarial Auditor:

Qualification 1- During the reporting period, the Company has received Foreign Direct Investment for which, form FC-GPR is required to be filed for allotment of shares with Reserve Bank of India. As per representation from the Management, the Company has initiated the process to receive Foreign Inward Remittance Certificate (FIRC) from the respective Bank(s), however due to delay at the part of Bank(s), the Company could not file the said return within due date and as on date of this report.

Management Reply to Query No.-1: The Company has already initiated process to receive Foreign Inward remittance certificate from the respective bank and all other compliances applicable to it. However after doing continuous follow ups there is delay from the part of the bank(s) to complete all the formalities due to which company is unable to file form FC-GPR in time.

Qualification 2- The Company has not complied with the requirement to file Annual Return on Foreign Liabilities and Assets (FLA return) on or before 15th July, 2022 for FY 2021-22 i.e. reporting period.

Management Reply- FLA Return is required to be filed by the company after filing of FC GPR form. As mentioned above our company was not able to file FC GPR due to which the company is not able to file FLA return in timely manner. Our company will take necessary steps to comply with the applicable regulations.

## **16. DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

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

The Company has subscribed the 49.97% of Total Share Capital of Scholab Global Limited and it has become an associate company. A Statement containing the salient features of the financial statement of the associate companies is annexed to the financial statements in form AOC-1.

## **18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In terms of rule (9) of the Companies (Accounts) Rules, 2014 The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Loans, Investment, guarantees and securities in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable have been compiled by the company.

## **20. RELATED PARTY TRANSACTIONS**

During the year under review, contracts or arrangements entered into with the related party, as defined under section 188 of the companies Act, 2013 were in ordinary course of business and on arms' length basis. Details of the transactions pursuant to compliance of section 134(3)(h) of the companies act, 2013 and rule 8(2) of the companies (Accounts) Rule, 2014 are annexed herewith as AOC-2.

However, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**21. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no significant and material order was passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

**22. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12)**

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in your Company by its Officers or Employees to the Audit Committee and /or to the Board under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this Report.

**23. DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION (6) OF SECTION 149**

Declaration from all the Independent directors has been received that they meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

**24. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Business risk evaluation and management is ongoing process within the company. The Assessment is periodically examined by the Board.

**25. DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. The Company has constituted Internal Complaints Committee for redressal of complaints on sexual harassment. During the year, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2022.

**26. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE (31 OF 2016) DURING THE YEAR**

During the year no proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016.

**27. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS.**

There is no difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions.

**28. INITIAL PUBLIC OFFER AND LISTING OF EQUITY SHARES**

The Board of Directors had, in its meeting held on 20th August, 2021, proposed the Initial Public Offer not exceeding 16,00,000 equity shares at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra Ordinary General Meeting held on 6th September, 2021.

Pursuant to the authority granted by the Members of the Company, the Board of Directors appointed Finshore Management Services Limited as Lead Manager and Cameo Corporate Services Limited as Registrar to the Issue and Share Transfer Agent for the proposed Public Issue. The Company applied to BSE Limited for in-principle approval for listing its equity shares on the SME Platform of the BSE. BSE Limited has, vide its letter dated, September 25, 2021, granted its In Principle Approval to the Company and it was listed on BSE SME platform on 12th October, 2021

**29. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED**

The Company has converted from Promax Power Pvt Ltd to Promax Power Limited vide certificate of Incorporation dated 20th April, 2021.

**30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**A. CONSERVATION OF ENERGY:**

- I. the steps taken or impact on conservation of energy :NA
- II. the steps taken by the company for utilising alternate sources of energy :NA
- III. the capital investment on energy conservation equipments :NA

**B. TECHNOLOGYABSORPTION:**

- I. the efforts made towards technology absorption :NA
- II. The benefits derived like product improvement, cost reduction, product development or import substitution: NA
- III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
  - a) The details of technology imported: NA
  - b) The year of import: NA
  - c) Whether the technology been fully absorbed: NA
  - d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA
  - e) The expenditure incurred on Research and Development: NA

**C. THERE WAS NO FOREIGN EXCHANGE INFLOW OR OUTFLOW DURING THE YEAR UNDER REVIEW EXCEPT MENTIONED IN THE AUDIT REPORT.**



### 31. **AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE**

#### - **Audit Committee**

##### **Constitution & Composition of Audit Committee:**

Pursuant to the provisions of section 177(8) of the Companies Act, 2013, the Board hereby disclose the composition of the Audit Committee and details of meetings attended by the members of the Audit Committee are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Sanjay Kumar	Chairman	Non-Executive-Independent Director	4	4
Siddharth Shukla	Member	Non-Executive-Independent Director	4	4
Vishal Bhardwaj	Member	Managing Director	4	4

#### - **Nomination and Remuneration Committee:**

##### **Constitution & Composition of Remuneration Committee:**

The Company has constituted a Remuneration Committee as per the provisions section 178 of the Companies Act.

The composition of the Remuneration Committee and details of Meetings attended by the Directors are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Sanjay Kumar	Chairman	Non-Executive-Independent Director	4	4
Siddharth Shukla	Member	Non-Executive-Independent Director	4	4
Pawan Kumar Jain*	Member	Non-Executive- Director	4	4

The Policy of nomination and Remuneration committee has been place on the website of the company at [www.promax.co.in](http://www.promax.co.in) and the salient features of the same has been disclosed under "Annexure - B"

\* Mr. Pawan Kumar Jain resigned on 16<sup>th</sup> August, 2022 and Ms. Shweta Bhardwaj become member after his resignation.

#### - **Stakeholder's Relationship Committee:**

##### **Constitution & Composition of Stakeholders Relationship Committee:**

The composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Directors are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Sanjay Kumar	Chairman	Non-Executive-Independent Director	2	2
SiddharthShukla	Member	Non-Executive-Independent Director	2	2
Pawan Kumar Jain*	Member	Non-Executive Director	2	2

\*Mr. Pawan Kumar Jain resigned on 16<sup>th</sup> August, 2022 and Ms. Shweta Bhardwaj become member after his resignation.

### **32. VIGIL MECHANISM/WHISTLE BLOWERPOLICY**

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company at [www.promax.co.in](http://www.promax.co.in)

### **33. MANAGEMENT DISCUSSION ANDANALYSIS**

Management Discussion and analysis Report as Required under Regulation 34 and Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the companies' current working and future outlook of as per "Annexure - C"

### **34. CORPORATEGOVERNANCE**

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, Report on Corporate Governance is not applicable on the Company as the Company is listed on SME Platforms of BSE.

### **35. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the continuous support received from the Members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company's employees at all levels.

**PROMAX POWER LIMITED**

**SD/-**

**Vishal Bhardwaj**

**Managing Director &Chairman**

**Place:** Chandigarh

**Date:** 7<sup>th</sup> September, 2022

**Registered Office:**

House No.1575, Ground Floor,  
Sector 38-B, Chandigarh

## **Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies

(Accounts) Rules, 2014)

### **Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures**

#### **Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with a mounts in Rs.)

1. S.No.: NA
2. Name of the subsidiary: NA
3. The date since when subsidiary was acquired: NA
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.: NA
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.: NA
6. Share capital: NA
7. Reserves and surplus: NA
8. Total assets: NA
9. Total Liabilities: NA
10. Investments: NA
11. Turnover: NA
12. Profit before taxation: NA
13. Provision for taxation: NA
14. Profit after taxation: NA
15. Proposed Dividend: NA
16. Extent of shareholding(in percentage): NA

**Notes:** The following information shall be furnished at the end of the statement: NA

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

## Part B Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

<b>Name of Associates or Joint Ventures</b>	Scholab Global Limited
<b>1. Latest audited Balance Sheet Date</b>	23-05-2022
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	07-02-2020
<b>3. Shares of Associate or Joint Ventures Held by the company</b>	
No.	4,997
Amount of Investment in Associates or Joint Venture	49,970
Extent of Holding (in percentage)	49.97%
<b>4. Description of how there is significant influence</b>	There is Significant influence due to percentage (%) of share capital
<b>5. Reason why the associate/Joint ventures not consolidated.</b>	---
<b>6. Profit or Loss for the year</b>	
i. Considered in Consolidation	25,87,354
ii. Not Considered in Consolidation	---

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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 transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>There were no transactions or arrangements which were not at Arm's Length Basis.</b>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in	
i)	General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
a)	Vishal Bhardwaj	Remuneration	---	18,00,000	--	-
b)	Shweta Bhardwaj	Remuneration	---	12,00,000	--	---
c)	Promax Carbontier Pvt Ltd	Sales made by the company (Vishal Bhardwaj and Shweta Bhardwaj are directors in the company)	---	34,61,920	---	---
d)	Sizzle Impex Private	Sales made by	---	11,56,08,758	---	---



	Limited	the company (The directors of the company are in relation with the other directors in which Vishal Bhardwaj is director)				
e)	Zorbyte International	Sales made by the company (One Director of the company is director in other company where vishalbhardwaj is director)	---	10,29,43,474	---	---
f)	Amunra	Purchase made by the company (Its proprietors relative is director in the same entity in which vishalbhardwaj is director)	---	7,06,03,457	---	---
g)	Pharoahs Enterprises Private Limited	Purchase made by company (One Director of the company is director in other company where vishalbhardwaj is director)	---	12,24,27,984	---	---
h)	Promax Technologies	Purchase made by the company (Proprietorship firm of Vishal Bhardwaj)	---	12,21,860	---	---

## **“Annexure – B”**

### **Policy of Nomination and Remuneration Committee of the Company**

Policy for Identification Of Persons For Appointment And Removal As Director And Senior Managerial Personnel

This Nomination, Remuneration and Evaluation Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Promax Power Limited (the “Company”).

“Key Managerial Personnel (KMP) means—

- (A) Chairman & Managing Director, Chief Executive Officer or manager or Whole Time Director or Executive Director;
- (B) Company Secretary,
- (C) Chief Financial Officer; and
- (D) Such other Officer as may be prescribed.

The term “Senior Management Personnel” means to include all members other than the Directors and KMPs of the Company, who are the functional heads of the respective departments/divisions/branches of the Company.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement/ Regulation 19 of SEBI (LODR) Regulations, 2015.

#### **1. Purpose**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and officials comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### **2. Accountabilities**

- 2.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- 2.2 The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- 3.1 reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- 3.2 identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- 3.3 recommending to the Board on the selection of individuals nominated for directorship;
- 3.4 making recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Officials so appointed/reappointed;
- 3.5 assessing the independence of independent directors;
- 3.6 such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules there under.
- 3.7 to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 3.8 ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 3.9 to devise a policy on Board diversity;
- 3.10 to develop a succession plan for the Board and to regularly review the plan;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### COMMITTEE MEMBERS' INTERESTS:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### VOTING:

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **4. Appointment of Directors/KMPs/Senior Officials**

4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

#### 4.2 Personal specifications:

- Degree holder in relevant disciplines;

- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

## **5. Letters of Appointment**

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

## **6. Remuneration of Directors, Key Managerial Personnel and Senior Management**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials.

The Directors, Key Management Personnel and other senior official's salary shall be based "& determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

### **(i) Remuneration:**

#### **a) Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

#### **b) Variable salary:**

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

### **(ii) Statutory Requirements:**



Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

The Company may with the approval of the shareholders authorise the payment of remuneration up to five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager/Executive Director and ten percent in case of more than one such official.

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director up to one percent of the net profits of the Company, if there is a managing director or whole time director or manager or Executive Director and three percent of the net profits in any other case.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

## **7. Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company -**

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

The following criteria may assist in determining how effective the performances of the Directors/KMPs/Senior officials have been:

- Leadership & stewardship abilities

- contributing to clearly define corporate objectives & plans
- Communication of expectations & concerns clearly with subordinates
- obtain adequate, relevant & timely information from external sources.
- review & approval achievement of strategic and operational plans, objectives, budgets
- regular monitoring of corporate results against projections
- identify, monitor & mitigate significant corporate risks
- assess policies, structures & procedures
- direct, monitor & evaluate KMPs, senior officials
- review management's succession plan
- effective meetings
- assuring appropriate board size, composition, independence, structure
- clearly defining roles & monitoring activities of committees
- review of corporation's ethical conduct

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

## **“Annexure – C”**

### **MANAGEMENT DISCUSSION AND ANALYSISINDUSTRY OVERVIEW**

#### **BUSINESS OVERVIEW**

Our Company is founded and promoted by Chandigarh based Mr. Vishal Bhardwaj and his wife Mrs. Shweta Bhardwaj in the year 2017 with a motive to take over the business of M/s. Promax Technologies (a sole proprietorship firm of Vishal Bhardwaj) as a going concern basis and to continue the similar and related business activity in the name of the company. This was done to corporatize and build a professionally managed and Board driven organization.

M/s. Promax Technologies (a sole proprietorship firm of Vishal Bhardwaj) was into undertaking of EPC projects (Engineering, Procurement and construction) of Electric substation & Transmission line, Power distribution, Hydro, Solar power stations etc. operating since 2006.

In the year 2020, Promax Power has taken over the Project management and execution business undertaking of M/s. Promax technologies as a going concern on a slump sale “as is where is” basis vide Slump Sale Agreement dated March 31, 2020 at a value of Rs. 1.82 crores.

Till the year 2019, there was no major activity in the company. Our company achieved its major turnover of Rs. 7.76 crore in FY 2019-20 and turnover of Rs. 36.87 crores in FY 2020-21 respectively. Our company is into the business of Execution of Engineering, Procurement, Construction (EPC - Power & Solar) projects for Electrification, Power Substations, Underground Cabling from 11kV to 220kV. The company also provides Turnkey execution of Civil Infrastructure projects such as Industrial buildings and Turnkey execution of water infrastructure management projects such as water transmission and distribution work.

As on March 31, 2021, we have an order book position for execution of around Rs. 109.25 Crores which are at different stages of implementation.

We provide high quality professional solutions, design and engineering services to our customers. Our highly skilled professionals and dedicated team are ever ready to deliver their efficient services. Promax provides technical expertise in the most efficient and cost-effective way, helping to ensure the highest degree of reliability and availability of the project. Having achieved certain degree of expertise after successfully executing various projects, we have an extremely experienced and diverse set of professionally trained and qualified engineers having versed ability in tackling and providing solutions to our customers and capability to handle all requirements and installations even at the highest scale and magnitude.

We are having a professional managed team to execute our projects having vast techno-commercial knowledge and experience in the field of EPC.

The core competencies of our team comprise of the following:

- Experience of execution of Transmission line and Substation up to 220KV voltage level.
- Working experience in hilly regions of North-East India, Chhattisgarh, Odisha and J&K etc.
- In-house design set-up.
- In-depth knowledge of Safety and Environment.
- Highly qualified and skilled civil team.
- Working experience in harsh climate condition including coastal areas.

- Excellent quality team members, having strong hold on ISO and other Standards.

Promax is committed to provide services and products to its clients at the highest attainable standard of safety and environment protection for its employees, contractors and other interested parties throughout all areas of its activities, in accordance with client expectations, demands and schedules, providing flexible performance and quick reactions to changes and meeting the quality requirements defined in standards and specifications.

Promax is an ISO 14001:2015 and ISO 45001:2018 certified organization engaged in the business of engineering procurement construction for electrification, civil infrastructure and water infrastructure management projects. We are committed to provide quality work to our customers that meets the project standards and specifications for materials, workmanship, tolerances, schedules and public service while maintaining profitability and competitiveness. Promax ensures continual improvement through quality processes which are directed by a strong management team.

## Our Business Area

- **Transmission Line:** Promax has over 15 years of experience as sub-contractor and Turnkey contractor in construction and laying of Transmission line including Extra High Tension & High Tension (HT) Transmission Line & Sub Station bays varying up to 220 KV. Promax has over 200 Kms experience in Transmission Lines of 220 KV and 132 KV. We have done over 20 Line projects on EPC Turnkey basis. We have excellent relationships with leading tower parts and conductor manufacturers. We have a lot of in-house design experience of tower design for various terrains and climatic conditions. All erection and stringing tools are available with us in-house. We have excellent Project Execution teams who have expertise in getting all requisite clearances from statutory authorities like Transco, Discoms, Railways, Telecom, etc. We have experience of working in West Bengal, Maharashtra, Jharkhand and Odisha State. We deploy an experienced labour force.
- **Power Transmission & Distribution:** Our main sources of work tend to be complete electrification of high-rise buildings, industrial houses, hotels, multiplexes and the commercial complexes. We undertake electrification works of all kinds, from complete installation to new additions to circuits, from mains distribution (220 KV) to lighting installations. All works carried out by PROMAX will be provided with the necessary paperwork such as risk assessments and method statements which brings us in line with health and safety at work.

Examples of installation carried out:

- 220 KV installations
  - High/Low Bay lighting
  - Low voltage distribution panels
  - Sub main installations
  - Control panel design and build
  - Factory refit installations
  - Car Parking lighting
  - Tray or trucking systems
- **Substation:** Promax is engaged into execution of EPC (supply, erection testing and commissioning) of switchyards for last 15 years. We undertake all types of electrical works like indoor and outdoor lighting, laying of cables, erection of transformers and switchyards up to

220kv, erection of poles, installation of floodlights etc. which also includes design and detailed engineering for EHV sub stations and transmission lines. We have a very good organizational set up comprising of highly qualified & experienced technical executive and administrative staff for effectively executing different project activities.

- **Solar Projects EPC:** High quality services in the EPC space, from the initial design stage to the start-up of the installation, Management and implementation. Will deploy proven, state of the art solar technology and build local solar. Expertise to deliver affordable solar power. EPC contracts are the most common form of contract used to undertake construction work by private/ government sectors on large and complex solar PV power projects. Under an EPC contract, we deliver a complete facility to a developer who needs only “turn a key” to start operating power plants and thus generate revenue.
  - Basic and detailed engineering
  - Technical due diligence regarding energy generation
  - Topography study and the calculation of earth works
  - Structures and found a then design & calculations
  - Design for the install of structures
  - Low voltage and medium voltage system design
  - Technical advice for the selection of plant equipment
- **Sewerage Treatment Plant:** Civil construction work in sewerage treatment projects requires high technology and skill. STP consists sludge collector, Pumping stations, Mixing chambers and Storage and distribution system, where the quality of civil work is always on priority due usages of various chemical compound.
- **Water Treatment Plant:** Water treatment is any process that improves the quality of water to make it more acceptable for a specific end-use. The end use may be drinking, industrial water supply, irrigation, river flow maintenance, water recreation or many other uses, including being safely returned to the environment.

### **Our Competitive Strengths:**

1. **Organizational stability along with management expertise:** Our group has an established track record of over 15 years which indicates the company’s ability to weather economic and business cycles and competent promoters have over a decade of relevant experience. This indicates our ability to maintain business viability and steer the business though operational hurdles. Our promoters are the guiding force behind the operational and financial decision of our company. Our promoters are responsible for the entire business operations of the company along with an experienced team of professional who assist them. This indicates our ability to maintain business viability and steer the business though operational hurdles.
2. **Smooth flow of operations:** We have maintained good relationship with our major customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.
3. **Well-defined organizational structure:** The company has a qualified and experienced management that has decision making powers. It is expected to benefit from the management’s ability to ensure smooth flow of operations. Our Company is managed by a team of competent

personnel having knowledge of core aspects of our Business. We have an experienced management team having vast experience in the industry. We believe that our senior management has pioneered our growth and fostered a culture of innovation, entrepreneurship and teamwork within our organization. We believe that a motivated and empowered employee base is key to our competitive advantage. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our organization and encouraging the development of their skills and expertise. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. We are dedicated to the development of expertise and know-how of our employees and continue to invest in them through training and skills.

4. **Existing Supplier Relationship:** Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organization, rely on personal relationships with our suppliers. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintaining effective supplier relationship.
5. **Quality & ISO Certifications:** Our ISO certificates shows our good quality of services and good strength.
6. **Wide range of Products:** We provide a broad range of products to our customers which increases the scope of our customers and our ability to cater to a diversified clientele base. We make our best efforts to deliver effective Engineering Solutions related to power sector and ontime execution to our clientele.

### **Our Strategy:**

1. **Quality Assurance:** We will continue to maintain quality of our existing services to cater to various customers in the market. We endeavor to maintain the quality of our service, and follow strict procedures to ensure timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.
2. **Increase geographical presence:** Going forward we plan to establish our presence in the more geographical potential regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.
3. **Leverage and enhance our brand name:** We believe that our brand commands a recall amongst the consumers in the areas where we operate due to its image and goodwill established over the years. We intend to leverage the brand equity that we enjoy. Also, we plan to leverage our existing brands, which have good recall with customers to introduce a wider range of services.
4. **Improving operational efficiencies:** Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We will be addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. We believe in strong in-house management to control the entire process. It controls costs by eliminating unnecessary intermediaries for procuring materials in cost efficient manner by optimizing logistics and maximizing labour efficiency.



5. **Leveraging our Market skills and Relationships:** This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting contracts in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
6. **Increasing the customer reach:** we plan to segmentize the market into business as well as influencers levels thereby reach to the need of each customer profile.
7. **Innovative & Marketing Method:** Over and above the regular human reach we will be adopting innovative method through social media, groups, public meetings, meetings, seminars to address our potential customer base.

## Opportunities

- Potential to provide other value added services
- Expanding new geographical area
- Opportunities in Indian Market
- Government thrust for infrastructure development will boost in rise in demand

## Threats

- Increased Competition from Big Players
- Change in Government Policies
- Rising labour wages
- Margins may be constrained in the future
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants

## Human Resources and Industrial Relations:

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.



**Form No. MR-3**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

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

To,  
**The Members,**  
**PROMAX POWER LIMITED**  
[CIN: U74999CH2017PLC041692]

I am appointed by the Board of Directors of PROMAX POWER LIMITED (hereinafter called "the Company") to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2022.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. PROMAX POWER LIMITED. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Management's Responsibility for Secretarial Compliances**

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The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations. My responsibility is to express an opinion on the Secretarial records, Standards and procedures followed by the Company with respect to Secretarial Compliances.

**Secretarial Auditor's Responsibility**

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Secretarial Auditor's responsibility is to report to the Board about compliance with the provisions of the Act. The rules made thereunder and other laws applicable to the Company and to express an opinion on the Secretarial records, Standards and procedures followed by the Company with respect to Secretarial Compliances.

For conducting the Audit for the Financial Year 2021-22, I have relied upon the financial data provided by the company officials. I have verified the books of accounts of the Company to form true and fair view on the books of accounts of the Company or any matter incidental thereto. I believe that the audit inspection I have conducted is sufficient and appropriate to provide a basis for my audit opinion. I have obtained management certification/undertaking where I could not verify any data. Moreover, information on the statutory compliance of Income Tax, Goods and Service Tax and other incidental statutes applicable to the Company were duly obtained during the audit period.

**Details of Statutory Auditor & Internal Auditor**

Statutory Auditor		Internal Auditor	
Name	<b>M/s Harjeet Parvesh &amp; Company Chartered Accountants</b>	Name	<b>M/s S Lal Bansal &amp; Co., Chartered Accountants</b>
Address	1122 Sector 71, Mohali, Punjab - 160071	Address	First floor, House No. 2825 Sec 22 C, Chandigarh – 160022
FRN	017437N	FRN	002664N

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place commensurate with the operations of the Company and to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PROMAX POWER LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) **The Companies Act, 2013 (the Act) and the rules made there under:** During the Audit exercise, I noted that the Company has maintained statutory registers, minutes books and has entered the transactions in the statutory registers maintained. The Company has also established the whistle blower policy and has formed required sub committees as required under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder:** I have noted that the Company has complied with the continuous listing requirements under Rule 19A of the SCRA and other compliance under Rule 19 (2) (b) of the SCRA.
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:** The Company has duly executed the tri partite agreement with NSDL and CDSL and complied with the requirements under Clause 76 of SEBI (Depositories and Participants) Regulations, 2018.

- (iv) **Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:** The Company has received Foreign Direct Investment for public issue during the reporting period, for which our comments are mentioned below under the Observations. As informed to us by the management, there was no Overseas Direct Investment or ECB in the Company during the reporting year.
- (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 (Listing Obligation and Disclosure Requirements) Regulations, 2015:** The company has duly made disclosure of information regarding documents, forms, returns, notices, certificate, financial results, share holding pattern etc. with the stock exchange during the reporting period, except mentioned below under the Observations.
  - b) **The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:** During the year of reporting, there was no acquisition or disposal of the shares reported under Regulation 29(1). Accordingly, the Company has not made any reporting to the Stock Exchanges on dealing of securities beyond the prescribed limits.
  - c) **The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015:** During the reporting period, there are no transactions reported under Regulation 7(2) of the Regulations. All other Disclosure/ Provisions required pursuant to SEBI (Insider Trading Regulations, 2015/1999 have been complied with, except mentioned below under the Observations.
  - d) **The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:** All Disclosure/ Provisions required pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 have been complied with.
  - e) **The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:** Not Applicable to the company during the reporting period.
  - f) **The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:** Not Applicable to the company during the reporting period.
  - g) **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:** Not Applicable to the company during the reporting period.
  - h) **The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009:** Not Applicable to the company during the reporting period.

- i) **The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:** Not Applicable to the company during the reporting period.
- j) **Direct and Indirect Tax laws including The Income Tax Act, 1961 and the rules made there under, Goods and Service Tax etc.:** The Company has obtained the required registrations under various Acts of direct and indirect tax laws and was generally regular in filing returns with the respective authorities.

**(vi) Other applicable laws to the Company during the reporting period:**

- a) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- b) Payment of Bonus Act, 1965
- c) The Payment of Gratuity Act, 1972

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 01<sup>st</sup> July, 2015;

**Based on the examination conducted during the reporting period (01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022) I hereby report that;**

The Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except as mentioned below:

**Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder**

1. *During the reporting period, the Company has received Foreign Direct Investment for which, form FC-GPR is required to be filed for allotment of shares with Reserve Bank of India. As per representation from the Management, the Company has initiated the process to receive Foreign Inward Remittance Certificate (FIRC) with the respective Bank(s), however due delay at the part of Bank(s), the Company could not file the said return within due date and as on date of this report.*
2. *The Company has not complied with the requirement to file Annual Return on Foreign Liabilities and Assets (FLA return) on or before 15<sup>th</sup> July, 2022 for FY 2021-22 i.e. reporting period.*

**SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:**

3. *The disclosure of standalone and consolidated financial results for period ending on 30<sup>th</sup> September, 2021 and 31<sup>st</sup> March, 2022 are duly filed under sub-regulation (3) of regulation 33. However, the said disclosure is not furnished within time limit specified under second proviso to sub-regulation (6) of regulation 30.*

**I 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 during the reporting period (2021-22) were made in compliance with all the applicable provisions under the Companies Act, 2013 and other applicable laws, rules and regulations. Details of change in composition of board of director during the reporting period:

Sr. No.	Name of Director	Designation	Date of Appointment / Change in Designation	Date of Cessation
1	Mr. Vishal Bhardwaj*	Managing Director	20/08/2021	-
2	Mrs. Shweta Bhardwaj	Director	21/08/2017	-
3	Mr. Pawan Kumar Jain	Non-Executive Director	06/04/2021	16/08/2022
4	Mr. Sanjay Kumar	Non-Executive Independent Director	27/08/2021	-
5	Mr. Siddharth Shukla	Non-Executive Independent Director	27/08/2021	-
6	Mr. Amarnath Dey	Chief Financial Officer	06/08/2021	-
7	Mrs. Puneet Kaur	Company Secretary	06/08/2021	-
8	Mrs. Reema Devi	Non-Executive Independent Director	06/08/2021	27/08/2021
9	Mrs. Geeta Umesh Kumar	Non-Executive Independent Director	06/08/2021	27/08/2021
10	Mrs. Minakshi Ramesh Kumar	Non-Executive Independent Director	06/08/2021	27/08/2021

\*Mr. Vishal Bhardwaj was appointed as Director on 21<sup>st</sup> August, 2017; however, his designation was changed to Managing Director with effect from 20<sup>th</sup> August, 2021.

Adequate notice was given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance (or at a shorter notice wherever required), 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 through majority while the dissenting directors / members' views are captured and recorded as per Company policy. However, there were no dissenting directors / members' views noticed in the minutes of general meeting / board minutes for the reporting period.

**Following specific events took place during the reporting period:**

During the year under the review, The Board of Directors had, in its meeting held on 20<sup>th</sup> August, 2021, proposed the Initial Public Offer not exceeding 16,00,000 equity shares at such price as may be decided by the Board of Directors in consultation with the Merchant Banker. The Members of the Company had also approved the proposal of the Board of Directors in their Extra Ordinary General Meeting held on 06<sup>th</sup> September, 2021.

Pursuant to the authority granted by the Members of the Company, the Board of Directors appointed Finshore Management Services Limited as Lead Manager and Cameo Corporate Services Limited as Registrar to the Issue and Share Transfer Agent for the purpose of Public Issue. The Company applied to BSE Limited for in-principle approval for listing its equity shares on the SME Platform of the BSE Limited. BSE Limited has, vide its letter dated, 25<sup>th</sup> September, 2021, granted its in-principle approval to the Company and it was listed on BSE SME platform on 12<sup>th</sup> October, 2021 after allotment of 16,00,000 equity shares of Rs. 10/- each at the issue price of Rs. 10/- in the board meeting dated 06<sup>th</sup> October 2021.

I 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. The Company has accordingly appointed the internal auditors to take care of internal systems and processes.

**Disclaimers:**

- a. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.*
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.*
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above.*
- d. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.*

- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.*
- f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.*

**For, Hitarth S. Shah & Associates**

**SD/-**

**CS Hitarth S. Shah**

ACS: 50728

CP No.: 23616

UDIN: A050728D000837811

PR No.: 2179/2022

Date: 24<sup>th</sup> August, 2022

Place: Ahmedabad



**Harjeet Parvesh & Company**

**CHARTERED ACCOUNTANTS**

**(A PEER REVIEWED FIRM)**

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**INDEPENDENT AUDITOR'S REPORT**

To

The Members

**M/s PROMAX POWER LIMITED**

**Qualified Opinion**

We have audited the accompanying standalone financial statements of **M/s PROMAX POWER LIMITED** which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity, for the year then ended, notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us except for the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

The company's inventories are carried in the balance sheet at Rupees 10.21 crores which is increased by 3.32 crores from the previous year inventory of rupees 6.89 crores. Management has stated in the financial statements that the inventory is valued as per first in first out method but they are not been able to produce the proper records of inventory to ensure the closing stock figures are correct as per method used by them. In addition to that we are not able to access that the basis of valuation of inventory due to non-production of proper records by the management. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report, we have determined that there are no key audit matter to communicate in our report.

#### **Emphasis of Matter**

We draw attention to note 11 of the standalone financial statement with respect to solar panel of rupees 2.1 crores given on lease for 5 years for a monthly rental to its related party "Desh Bhagat universe of Professional Studies", a regd. society who operates schools for providing education on 06th Jan 2020 but due to COVID-19 crisis, but the company has waived off the monthly rental charges till 31st March 2022. The waiver of annual rental for the financial year 2021-22 is around rupees 25.8 Lakh.

Our opinion is not modified in respect of above matter.

#### **Other Information**

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

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

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



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

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

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

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

### **Auditor's Responsibility for the audit of the Standalone Financial Statements**

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



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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



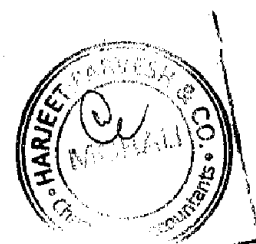


## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effects of the matter described in the "Basis for Qualified opinion" paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matter described in the "Basis for Qualified opinion" paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company doesn't have any pending litigations on its financial position in standalone financial statements
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. A) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
 B) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
 C) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

**Date: 23/05/2022**  
**Place: Mohali**  
**UDIN: 22547759AJPKOT5492**

**For Harjeet Parvesh & Co.**  
**Chartered Accountants**  
**FRN: 017437N**  
**MOHALI**  
**CA Konica Madan**  
**(Partner)**  
**M.No 547759**

## **Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(i)(b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.

(i)(c) The title deeds of all the immovable properties are held in the name of the Company.

(i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(i)(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) The management has not conducted physical verification of inventories during the year. Hence, we are unable to comment on the appropriateness of the coverage and procedure of physical verification, and discrepancies of 10% or more in the aggregate for all class of inventory.

(ii)(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.



(iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii)(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii)(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii)(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii)(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company. Hence the cost audit is not applicable to company.





(x)(a) Based upon the audit procedures performed and the information and explanations given by the management, the company has raised Rs 1,60,00,000/ as moneys by way of initial public offer.

Such amount is applied for the purpose raised.

(x)(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

(xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

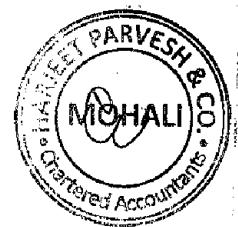
(xii)(a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xii)(b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company

(xii)(c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.





(xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

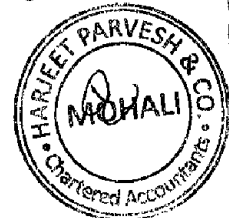
(xvi)(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There is resignation of the statutory auditor during the year, as the company required a peer reviewed firm to conduct audit to comply to listing requirements of SEBI.

(xix) On the basis of the financial ratios disclosed in Note 32 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within



a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(xx)(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

**Date: 23/05/2022**

**Place: Mohali**

**UDIN: 22547759AJPKOT5492**

**For Harjeet Parvesh & Co.**

**Chartered Accountants**

**ERN: 017437N**



**CA Konica Madan  
(Partner)**

**M.No 547759**

**Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of  
M/s PROMAX POWER LIMITED**

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

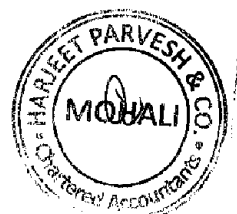
We have audited the internal financial controls over financial reporting of M/s **PROMAX POWER LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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



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

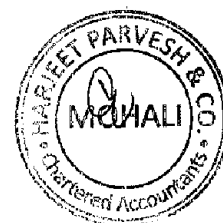
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Date: 23/05/2022**  
**Place: Mohali**  
**UDIN: 22547759AJPKOT5492**

**For Harjeet Parvesh & Co.**  
**Chartered Accountants**  
**FRN: 017437N**



## **PROMAX POWER LIMITED**

### **NOTES FOR THE STANDALONE FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022**

#### **1. Corporate Information**

Promax Power Limited ('the company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company is involved in executing turnkey Power, substation, transmission line, Hydro, distribution, electrification, Civil construction, Pre-engineered Building, High Rise Building, Sewerage and Water treatment projects and other related activities.

#### **2. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below

#### **2.1 Summary of significant accounting policies**

##### **(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

##### **(b) Property, Plant & Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent expenditure related to an item of property, plant & equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant & equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which Property, is significant plant and equipment held for sale asset is valued at lower of their carrying amount and net realizable value. Any write-down asset is recognized in the statement of profit and loss.

**(c) Depreciation on property, plant & equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Leasehold improvements are amortized over the lease period of such asset

**(d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets namely goodwill is amortized on a straight line basis over the estimated useful economic life of 60 months.

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

**(e) Impairment of PPE and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated.



These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**(f) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sales of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Provision is made for returns and price adjustments subsequent to year end in respect of sales affected during the year.

**Income from services**

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects Goods and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Subvention income**

Subvention income is recognized as per the terms of limited risk distribution agreement when there is no significant uncertainty of its realization.

**(g) Foreign currency transactions**

**(i) Initial recognition**

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.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting 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 recognized as income or as expenses in the year in which they arise.

**(h) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Gratuity liability is defined benefit obligation and will be provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year whenever applicable. The Company will take group gratuity policy with Life Insurance Corporation (LIC) to cover the gratuity liability of the employees and premium paid to LIC will be charged to statement of profit and loss.

The difference between actuarial gains and losses for the above defined benefit plan and the fair value of plan asset will be recognized in full in the period in which they occur in the statement of profit and loss and any excess amount in plan assets over obligation will be recognized as loans and advances recoverable.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

**(i) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**(j) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(k) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**(l) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(m) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(n) Valuation of Inventory**

FIFO method of Stock valuation has been adopted by the company and stock of finished goods is valued at cost or net realizable value whichever is lower.

For **Harjeet Parvesh & Co.**  
Chartered Accountant

**CA Konica Madan**  
Partner  
M. No. 547759



Promax Power Limited

**Vishal Bhardwaj**  
(Director)  
DIN: 03133388

**Amarnath Dey**  
(Chief Financial Officer)

For and on behalf of the Board  
of Promax Power Limited

Promax Power Limited

**Shweta Bhardwaj**  
(Director)  
DIN: 03521776

**Puneet Kaur**  
(Company Secretary)

Date: 23/05/2022  
Place: Chandigarh


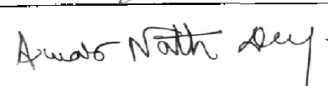
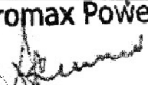
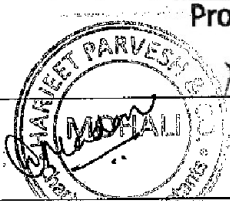

## Annexure I

### Statement on impact of Audit Qualifications (for audit report with modified opinion) submitted along with standalone Annual standalone financial results

**Statement on impact of Audit Qualifications for the financial year ended 31<sup>st</sup> March 2022  
under Regulation 33 of the SEBI(LODR) Regulations**

(Rs. In Lakhs)

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures) as reported after adjusting for qualifications)
I.	1	Total Income	3975.21
	2	Total Expenses	3954.97
	3	Net Profit/loss	20.25
	4	Earnings per share	0.39
	5	Total Assets	2831.74
	6	Total Liabilities	2162.52
	7	Net worth	669.23
	8	Any other financial item(s) (as felt appropriate by the management)	NIL
II	<b>Audit Qualification (Each audit qualification separately):</b>		
	a. Detail of Audit Qualification:	The company's inventories are carried in the balance sheet at Rupees 10.21 crores which is increased by 3.32 crores from the previous year inventory of rupees 6.89 crores. Management has stated in the financial statements that the inventory is valued as per first in first out method but they are not been able to produce the proper records of inventory to ensure the closing stock figures are correct as per method used by them. In addition to that we are not able to access that the basis of valuation of inventory due to non-production of proper records by the management. In light of above, consequential impact of non-availability of stock records is not ascertainable.	
	b. Type of Audit qualification	Qualified Opinion	
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing	1 <sup>st</sup> Time	
	d. For audit qualification(s) where the impact is quantified by the auditors, management views.	NA	
	e. For audit qualification(s) where the impact is not quantified by the auditors, management view.	The management will make the necessary efforts in future to provide the necessary records.	

Signatories	
Managing Director	Promax Power Limited  Director
Chief Financial Officer	
Audit committee Chairman	Promax Power Limited 
Statutory Auditor	 

Place: Chandigarh

Date: 23.05.2022

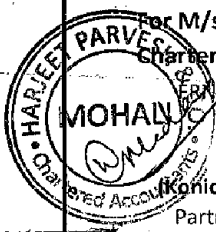


**PROMAX POWER LIMITED**  
**STANDALONE BALANCE SHEET AS ON 31.03.2022**  
**CIN: U74999CH2017PLC041692**

Particulars	Note No.	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	6,00,00,000	4,40,00,000
(b) Reserves & Surplus	4	69,22,892	48,98,249
<b>(2) Share application money pending allotment</b>			
<b>(3) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	1,19,28,451	3,00,34,577
(b) Deferred Tax Liability	6	34,22,302	24,13,664
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	7	8,58,54,367	3,08,49,890
(b) Trade Payables	8		
Micro enterprises and small enterprises			
Other than MSME		9,10,35,436	8,64,07,659
(c) Other current liabilities	9	2,39,81,041	56,92,493
(d) Short term provisions	10	30,000	-
<b>TOTAL</b>		<b>28,31,74,490</b>	<b>20,42,96,532</b>
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property Plant and Equipment and Intangible assets	11		
(i) Property, Plant and Equipment		2,31,95,156	2,51,06,416
(ii) Intangible assets		91,422	1,21,422
(b) Non-current investments	12	49,970	49,970
(c) Long-term loans and advances	13	-	89,91,000
<b>(2) Current assets</b>			
(a) Inventories	14	10,21,31,209	6,89,07,888
(b) Trade Receivables	15	10,55,60,780	6,54,25,982
(c) Cash & cash equivalents	16	3,68,20,960	3,01,26,329
(d) Short term loan and advances	17	1,53,24,994	55,67,525
<b>TOTAL</b>		<b>28,31,74,490</b>	<b>20,42,96,532</b>

**NOTES TO ACCOUNTS**

Notes and significant Accounting Policies referred to above and annexed there to form an integral Part of Balance Sheet. This is the Balance Sheet referred to in our Report of even date.



For M/s Harjeet Parvesh & Co.  
Chartered Accountants  
M.No. 017437N

(Mohan Madan)  
Partner  
M.No. 547759

Place : Chandigarh  
Date : 23/05/2022



For Promax Power Limited  
For and on behalf of the Board of Directors

Promax Power Limited  
Vishal Bhardwaj  
(Managing Director)  
DIN: 03133388

Promax Power Limited  
Shweta Bhardwaj  
(Director)  
DIN: 03521776

Amarnath Dev  
(Chief Financial Officer)

Puneet Kaur  
(Company Secretary)



**PROMAX POWER LIMITED**  
**STANDALONE STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING AS ON 31.03.2022**  
**CIN: U74999CH2017PLC041692**

Particulars	Note No.	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
<b>I. Revenue from operations</b>	18	39,57,91,590	36,87,07,130
<b>II. Other Income</b>	19	17,29,678	1,83,756
<b>III. Total Revenue (I+II)</b>		<b>39,75,21,268</b>	<b>36,88,90,886</b>
<b>IV. Expenses:</b>			
(a) Purchases	20	35,36,65,205	30,99,48,951
(b) Changes in inventories	21	(3,32,23,321)	1,35,66,749
(c) Employee Benefit	22	2,70,94,235	2,10,60,261
(d) Finance costs	23	1,06,61,360	53,34,917
(e) Depreciation and Amortization Expenses	11	9,58,593	9,84,218
(f) Other Expenses	24	3,53,31,914	1,47,03,847
<b>Total expenses (IV)</b>		<b>39,44,87,986</b>	<b>36,55,98,943</b>
<b>V. Profit before exceptional, Extraordinary Item and Taxes</b>	(III-IV)	<b>30,33,282</b>	<b>32,91,943</b>
<b>VI. Extraordinary Items and Depreciation written back</b>			35,98,252
<b>VII. Profit before tax</b>	(V-VI)	<b>30,33,282</b>	<b>68,90,196</b>
<b>VIII. Tax expense:</b>			
(1) Current tax	6	10,08,638	24,13,664
(2) Deferred tax			1,41,835
(3) Income Tax of Earlier Years			
<b>IX. Net Profit/Loss for the period</b>		<b>20,24,643</b>	<b>43,34,697</b>
<b>X. Earning per equity share:</b>			
(1) Basic		0.39	5.75
(2) Diluted		0.39	5.75

Notes and Significant Accounting Policies referred to above and annexed there to form an Integral part of Statement of Profit & Loss. This is the Statement of Profit & Loss referred to in our Report of even date.

For M/S Harjeet Parvash & Co.  
Chartered Accountants



Place : Chandigarh  
Date : 23/05/2022

For Promax Power Limited  
For and on behalf of the Board of Directors



Promax Power Limited

Vishal Bhardwaj  
(Director)  
(Directing Director)  
DIN: 03133388

Amarnath Dey  
(Chief Financial Officer)

Promax Power Limited

Shweta Bhardwaj  
(Director)  
DIN: 03521776

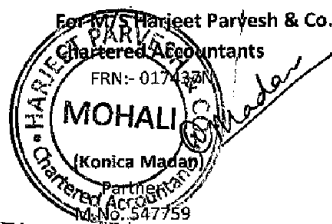
Puneet Kaur  
(Company Secretary)

**PROMAX POWER LIMITED**  
**STANDALONE STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31.03.2022**

	PARTICULARS	Note No.	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before tax & exceptional items		30,33,282	68,90,196
	Adjustment for Depreciation	11	9,58,593	(26,14,034)
	Interest Expense	23	1,06,61,360	53,34,917
	Operating Profit before working capital changes		<b>1,46,53,235</b>	<b>96,11,078</b>
	Adjustments for increase /decrease in Current Assets		(8,31,15,587)	2,02,67,237
	Decrease / Increase in Current Liabilities/ Provisions		2,29,46,325	17,64,321
	Net Income Tax (Paid)/Refund			(1,41,833)
	<b>Net Cash Flow from operating activities (A)</b>		<b>(4,55,16,028)</b>	<b>3,15,00,803</b>
B)	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	11	(46,100)	(73,02,515)
	Sale of Fixed Assets	11	10,28,767	(89,91,000)
	Increase in long term loans and Advances			(49,970)
	Purchase of Non Current Investment			
	<b>Net Cash Flow from Investing Activities (B)</b>		<b>9,82,667</b>	<b>(1,63,43,485)</b>
C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Share Capital	3	1,60,00,000	4,39,00,000
	Proceeds from Long term Borrowing	5	(1,81,06,126)	(3,59,04,441)
	Proceeds from Short term Borrowing	7	5,50,04,477	(1,52,51,294)
	Interest Expense	23	(1,06,61,360)	(53,34,917)
	Proceeds from Long term Advances	13	89,91,000	
	<b>Net Cash from Financing Activities (C)</b>		<b>5,12,27,991</b>	<b>(1,25,90,653)</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>66,94,630</b>	<b>25,66,665</b>
	Cash & Cash Equivalents as at 31.03.2020			2,75,59,663
	Cash & Cash Equivalents as at 31.03.2021	16	3,01,26,329	3,01,26,328
	Cash & Cash Equivalents as at 31.03.2022	16	3,68,20,959	

**AUDITOR'S REPORT**

As per our separate report of even date



For Promax Power Limited  
For and on behalf of the Board of Directors



Promax Power Limited  
Vishal Bhardwaj  
(Managing Director)  
DIN: 03133388

Promax Power Limited  
Shweta Bhardwaj  
(Director)  
DIN: 03521776

Place : Chandigarh  
Date : 23/05/2022

Amarnath Dey  
(Chief Financial Officer)

Puneet Kaur  
(Company Secretary)

**NOTE 3: SHARE CAPITAL**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	<b>AUTHORISED SHARE CAPITAL</b> 60,00,000 Equity shares of Rs. 10/-each (Previous Year 44,00,000 Equity Shares of Rs 10/- each)	6,00,00,000	4,40,00,000
2	<b>ISSUED SUBSCRIBED &amp; PAID UP</b> 60,00,000 Equity Shares of Rs. 10/- each fully paid up. (Previous Year 44,00,000 Equity Shares of Rs 10/- each)	6,00,00,000	4,40,00,000
	<b>Total</b>	<b>6,00,00,000</b>	<b>4,40,00,000</b>

**3.1 The details of Shareholders holding more than 5% shares:**

Sr. No	Name Of Shareholders	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Vishal Bhardwaj	34,77,480(57.96%)	34,77,480(79.03%)
2	Shweta Bhardwaj	9,22,470(15.38%)	9,22,470(20.97%)
	<b>Total</b>	<b>43,99,950</b>	<b>43,99,950</b>

**3.2 The reconciliation of the number of shares outstanding is set out below:**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Equity Shares at the beginning of the year	44,00,000	44,00,000
2	Add: Shares issued during the year	16,00,000	-
	<b>Equity Shares at the end of the year</b>	<b>60,00,000</b>	<b>44,00,000</b>

**3.3 Details of shares held by promoters**

Sr. No	Name of Promoters	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Vishal Bhardwaj	34,77,480(57.96%)	34,77,480(79.03%)
2	Shweta Bhardwaj	9,22,470(15.38%)	9,22,470(20.97%)
	<b>Total</b>	<b>43,99,950</b>	<b>43,99,950</b>

**Rights, Preference and restriction attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors are subject to shareholders approval in ensuing AGM except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amount in proportion to their shareholding.



**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 4: RESERVES & SURPLUS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	<b>Retained Earnings</b>		
	As per last Balance sheet	48,98,249	5,63,553
	Add: Profit/Loss During the year	20,24,643	43,34,696
	<b>Total</b>	<b>69,22,892</b>	<b>48,98,249</b>

**NOTE 5: LONG TERM BORROWINGS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Long Term Debt (Unsecured)	1,19,28,451	2,22,13,568
2	Loan from Directors and their relatives (Unsecured)	-	78,21,009
	<b>Total</b>	<b>1,19,28,451</b>	<b>3,00,34,577</b>

**NOTE 6: DEFERRED TAX LIABILITY**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	On Account of Depreciation on Fixed Assets	34,22,302	24,13,664
	<b>Total</b>	<b>34,22,302</b>	<b>24,13,664</b>

**NOTE 7: SHORT TERM BORROWINGS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
	Current Maturities of Long Term Debt	1,49,68,849	6,08,807
	Other Short Term Borrowings	3,76,20,257	2,48,842
	<b>Working Capital loan from banks</b>		
	Karnataka Bank	3,32,65,261	2,99,92,241
	(Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Promoter Director)		
	<b>Total</b>	<b>8,58,54,367</b>	<b>3,08,49,890</b>

**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 8: TRADE PAYABLES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Total outstanding dues of micro enterprises and small enterprises	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	9,10,35,436	8,64,07,659
	<b>Total</b>	<b>9,10,35,436</b>	<b>8,64,07,659</b>

8.1 Please refer note no. 29 for aging details

**NOTE 9: OTHER CURRENT LIABILITIES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Audit Fee Payable		24,500
2	Remuneration to directors	15,50,596	41,00,000
3	Advance from customers	2,01,54,643	
4	Salary Payable	16,86,192	
5	ESI/PF Payable	25,870	
6	GST Payable	1,35,555	
7	TDS Payable	2,97,875	13,84,489
8	TCS Payable	1,30,310	1,83,504
	<b>Total</b>	<b>2,39,81,041</b>	<b>56,92,493</b>

**NOTE 10: SHORT TERM PROVISIONS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Provision for Audit Fees	30,000	
	<b>Total</b>	<b>30,000</b>	<b>-</b>

Sr. No	Particulars	Gross Block				Depreciation/Writtenoff			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2022	WDV as on 31.03.2021
1)	<b>Property Plant and Equipment</b>										
	Car	8,60,111		-	8,60,111	81,933	57,341		1,39,274	7,20,837	7,78,178
	Computer & Printers	12,33,911	46,100	-	12,80,011	3,70,171	2,19,061		5,89,232	6,90,779	8,63,740
	Furniture & fixture	1,57,960		-	1,57,960	4,742	15,796		20,538	1,37,422	1,53,218
	Plant & Machinery	28,16,696		-	28,16,696	84,295	1,40,835		2,25,130	25,91,566	27,32,401
	Solar Power Plant	2,09,19,800		12,86,416	1,96,33,384	4,29,450	4,90,835	2,57,649	6,62,636	1,89,70,748	2,04,90,350
	Air Conditioner	94,529		-	94,529	6,000	4,726		10,726	83,803	88,529
	<b>Total</b>	<b>2,60,83,007</b>	<b>46,100</b>	<b>12,86,416</b>	<b>2,48,42,691</b>	<b>9,76,591</b>	<b>9,28,593</b>	<b>2,57,649</b>	<b>16,47,535</b>	<b>2,31,95,156</b>	<b>2,51,06,416</b>
	<b>PREVIOUS YEAR</b>	<b>1,87,80,493</b>	<b>73,02,515</b>	<b>-</b>	<b>2,60,83,008</b>	<b>20,874</b>	<b>9,55,718</b>	<b>-</b>	<b>9,76,592</b>	<b>2,51,06,416</b>	<b>1,51,80,039</b>

Sr. No	Particulars	Gross Block				Depreciation			Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	WDV as on 31.03.2022	WDV as on 31.03.2021
2)	Intangible Assets									
	Goodwill	1,50,000			1,50,000	28,578	30,000		91,422	1,21,422
	Total	1,50,000	-	-	1,50,000	28,578	30,000	-	91,422	1,21,422
	PREVIOUS YEAR	1,50,000	-	-	1,50,000	78	28,500	-	1,21,422	1,31,250

11.2 The above goodwill is on account of acquisition by the company its proprietorship concern promax technologies through slump sale

**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 12: LONG TERM INVESTMENTS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Investment in Scholab Limited	49,970	49,970
	<b>Total</b>	<b>49,970</b>	<b>49,970</b>

**NOTE 13: LONG TERM LOANS AND ADVANCES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Advance to Scholab Global Limited		89,91,000
	<b>Total</b>	<b>-</b>	<b>89,91,000</b>

**NOTE 14: INVENTORIES**  
**(Unsecured , Considered Good)**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Finished Goods	10,21,31,209	6,89,07,888
	<b>Total</b>	<b>10,21,31,209</b>	<b>6,89,07,888</b>

14.1 Inventory is hypothecated to Bank for working capital facility

14.2 Inventories are valued as per method described in significant accounting policies.

**NOTE 15: TRADE RECEIVABLES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Trade receivable Considered good – Unsecured	10,55,60,780	6,54,25,982
	<b>Total</b>	<b>10,55,60,780</b>	<b>6,54,25,982</b>

15.1 Trade Receivable is hypothecated to Bank for working capital facility

15.2 Please refer to Note 30 for aging details



**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 16: CASH & CASH EQUIVALENTS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Bank Balance	30,946	5,09,004
2	Cash in hand	3,35,936	2,15,769
3	Fixed Deposits	3,64,54,078	2,94,01,556
	<b>Total</b>	<b>3,68,20,960</b>	<b>3,01,26,329</b>

16.1 Fixed Deposits of 364.54 lakhs with bank as margin money for Bank guarantees/Letter of Credit

**NOTE 17: SHORT TERM LOAN AND ADVANCES**  
**(Unsecured , Considered Good)**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Balance with Government Authorities	8,61,379	46,71,295
2	Statutory balances with Suppliers	2,07,466	
3	Employee Advances	2,73,706	
4	Advances to suppliers	70,33,926	
5	Retention Money	44,18,518	
6	Securities Deposit	2,70,000	4,25,000
7	Income Tax Refund AY 2021-22	6,72,344	
8	Tax Receivables	15,87,655	4,71,230
	<b>Total</b>	<b>1,53,24,994</b>	<b>55,67,525</b>

**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 18: REVENUE FROM OPERATIONS**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
	<b>Construction activities</b>		
1	Electrical products	22,09,85,386	20,50,35,653
2	Other than electric products	17,48,06,204	16,36,71,477
	<b>Total</b>	<b>39,57,91,590</b>	<b>36,87,07,130</b>

**NOTE 19: OTHER INCOME**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Interest on FDR	17,29,678	1,83,756
	<b>Total</b>	<b>17,29,678</b>	<b>1,83,756</b>

**NOTE 20: PURCHASES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Electrical Products	15,94,11,904	19,73,89,025
2	Other than electric products	19,42,53,301	11,25,59,926
	<b>Total</b>	<b>35,36,65,205</b>	<b>30,99,48,951</b>

**NOTE 21: CHANGE IN INVENTORIES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
	<b>Opening Stock</b>		
	Finished Goods	6,89,07,888	8,24,74,637
	<b>Closing Stock</b>		
	Finished Goods	10,21,31,209	6,89,07,888
	<b>Change in Finished goods</b>	<b>(3,32,23,321)</b>	<b>1,35,66,749</b>

**NOTE 22: EMPLOYEE BENEFIT EXPENSES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Staff Salary	2,34,07,744	1,56,60,261
2	Remuneration to Directors	30,00,000	54,00,000
3	Staff welfare	5,40,920	
4	ESI & PF	1,45,571	
	<b>Total</b>	<b>2,70,94,235</b>	<b>2,10,60,261</b>

**NOTE 23: FINANCIAL EXPENSES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Interest on Loan	1,06,61,360	53,34,917
	<b>Total</b>	<b>1,06,61,360</b>	<b>53,34,917</b>

**NOTE 24: OTHER EXPENSES**

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Period Ended 31.03.2022</b>	<b>For the Period Ended 31.03.2021</b>
<b>1</b>	<b>Administration Expenses</b>		
	Legal and Professional Charges	6,44,573	
	Repair and Maintance	1,14,296	
	Rent	11,36,365	40,944
	Telephone Exp	39,186	
	Printing and Stationery	69,391	
	Office Expenses	9,17,972	15,30,187
	Donation	54,000	
	IPO related Expenses	14,27,952	
	Insurance	19,599	
	Rate, Fees & Taxes	6,700	6,03,586
	Interest on TDS	3,41,407	
	Bank Charges	21,95,142	11,45,996
	Other Expenses	15,47,012	
<b>2</b>	<b>Payment to Auditors</b>		
	Audit Fees	30,000	21,000
<b>3</b>	<b>Construction Expenses</b>		
	Fuel and electricity	37,20,367	1,71,193
	ROW FTGR	50,45,500	
	Consumables	1,44,79,470	1,05,34,119
<b>4</b>	<b>Selling &amp; Advertisement Expenses</b>		
	Discount given	1,39,839	
	Transport Charges	17,12,752	
	Sales and promotion Expenses	7,16,976	
	Travelling expenses	9,73,415	6,56,822
	<b>Total</b>	<b>3,53,31,914</b>	<b>1,47,03,847</b>

**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 25: CONTINGENT LIABILITIES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Claim against company not acknowledged as debts	NIL	NIL
2	Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
3	LC Given against Purchase of Goods	2,26,99,580	2,83,10,734
4	BG Given against Purchase of Goods	3,39,28,939	93,98,485

During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountant of India. Based on such review, no provision for impairment is required to be recognized for the year.

**NOTE 27: EARNING PER SHARE**

The calculation of Earning per share (EPS) are based on the earnings and number of shares as computed below:

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
	Weighted average number of shares in calculating the basic EPS and diluted EPS	52,00,000	44,00,000
	<b>Earning per share (Face value 10 /each)</b>		
	Earning per share - Basic	0.39	5.75
	Earning per share - Diluted	0.39	5.75

**NOTE 28: VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Raw & Packing Material	-	-
2	Capital Goods	-	-
3	Other Components and spare parts	-	-
	<b>Total</b>	-	-

**NOTE 29: AGEING OF CREDITORS**

Sr. No	Particulars	Outstanding for following periods from due date of payment				TOTAL
		<1 year	>1 <2 Years	>2 <3 Years	>3 Years	
1	MSME	-	-	-	-	-
2	Others	8,46,54,483	63,80,953	-	-	9,10,35,436
3	Disputed					
	Disputed-MSME					
	Disputed-Others					

**NOTE 30: AGEING OF DEBTORS**

Sr. No	Particulars	Outstanding for following periods from due date of payment					TOTAL
		<6 Months	>6 months <1 Year	>1 Years <2 Years	>2 <3 Years	More than 3 years	
1	(i) Undisputed Trade receivables – considered good	8,16,96,740	84,73,399	1,53,90,640			10,55,60,780
2	(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
3	(iii) Undisputed Trade Receivables – credit impaired						
4	(iv) Disputed Trade Receivables – considered good						
5	(v) Disputed Trade Receivables – which have significant increase in credit risk						
6	(vi) Disputed Trade Receivables – credit impaired						

**31 Related Party Disclosures**
**(Amount in Rupees)**

	Particulars	Entities in which Director is Interested	Key management personnel	Total
<b>1 Management Personnel</b>				
	Vishal Bhardwaj		18,00,000	18,00,000
	Shweta Bhardwaj		12,00,000	12,00,000
<b>2 Sales made by the company</b>				
	Promax carbontier Private Limited	34,61,920		34,61,920
	Sizzle Impex Private Limited	11,56,08,758		11,56,08,758
	Zorbyte International	10,29,43,474		10,29,43,474
<b>3 Purchase made by the company</b>				
	Amunra	7,06,03,457		7,06,03,457
	Pharoahs Enterprises Private Limited	12,24,27,984		12,24,27,984
	Promax Technologies	12,21,860		12,21,860
<b>4 Balance as at the year-end</b>				
	Shweta Bhardwaj		(13,48,417)	(13,48,417)
	Promax carbontier Private Limited	11,52,219		11,52,219
	Sizzle Impex Private Limited	(1,91,32,871)		(1,91,32,871)
	Zorbyte International	19,34,187		19,34,187
	Pharoahs Enterprises Private Limited	(2,64,81,188)		(2,64,81,188)
	Promax Technologies	24,23,468		24,23,468

**NOTE 32: ANALYTICAL RATIOS**

S.No	Particulars	Ratios
(a)	Current Ratio	1.29
(b)	Debt – Equity Ratio	1.46
(c)	Debt Service Coverage Ratio	0.40
(d)	Return On Equity	0.03
(e)	Inventory Turnover Ratio	3.75
(f)	Trade Receivable Ratio	4.63
(g)	Trade Payable Ratio	3.99
(h)	Net Capital Turnover ratio	7.46
(i)	Net Profit Ratio	0.01
(j)	Return on capital employed (ROCE)	0.10

For M/S Harjeet Parvesh & Co.  
Chartered Accountants  
FRN:- 017437

(Konica Madan)  
Partner  
M.No. 547759

Place : Chandigarh  
Date: 23/05/2022



For Promax Power Limited  
For and on behalf of the Board of Directors

Promax Power Limited

Vishal Bhardwaj  
(Managing Director)  
DIN: 03133388

Promax Power Limited

Shweta Bhardwaj  
(Director)  
DIN: 03521776

Amarnath Dey  
(Chief Financial Officer)

Poojeet Kaur  
(Company Secretary)

## **PROMAX POWER LIMITED**

### **NOTES FOR THE CONSOLIDATED FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022**

#### **1. Corporate Information**

Promax Power Limited ('the company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company is involved in executing turnkey Power, substation, transmission line, Hydro, distribution, electrification, Civil construction, Pre-engineered Building, High Rise Building, Sewerage and Water treatment projects and other related activities.

#### **2. Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below

#### **2.1 Summary of significant accounting policies**

##### **(a) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

##### **(b) Property, Plant & Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Subsequent expenditure related to an item of property, plant & equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant & equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which Property, is significant plant and equipment held for sale asset is valued at lower of their carrying amount and net realizable value. Any write-down asset is recognized in the statement of profit and loss.

**(c) Depreciation on property, plant & equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. Leasehold improvements are amortized over the lease period of such asset

**(d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets namely goodwill is amortized on a straight line basis over the estimated useful economic life of 60 months.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**(e) Impairment of PPE and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use.



The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**(f) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sales of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The company collects Goods and Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Provision is made for returns and price adjustments subsequent to year end in respect of sales affected during the year.

**Income from services**

Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects Goods and service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Subvention income**

Subvention income is recognized as per the terms of limited risk distribution agreement when there is no significant uncertainty of its realization.

**(g) Foreign currency transactions****(i) Initial recognition**

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.

**(ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**(iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting 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.

**(h) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company has taken group gratuity policy with Life Insurance Corporation (LIC) to cover the gratuity liability of the employees and premium paid to LIC is charged to statement of profit and loss. The difference between actuarial gains and losses for the above defined benefit plan and the fair value of plan asset is recognized in full in the period in which they occur in the statement of profit and loss and any excess amount in plan assets over obligation is recognized as loans and advances recoverable.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability. The company recognizes termination benefit as a liability and an expense when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than 12 months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

**(I) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each reporting date.

The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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

**(j) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

**(k) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**(l) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(m) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(n) Inventories**

Inventories are stated on lower of cost or net realizable value and the accounting method used to value stock is first and first out.

**For M/s Harjeet Parvesh & Co.  
Chartered Accountant**



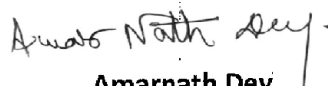
**Date: 23/05/2022  
Place: Chandigarh**



**For and on behalf of the Board  
of Promax Power Limited**

Promax Power Limited  
**Vishal Bhardwaj**  
(Director)  
DIN: 03133388

Promax Power Limited  
**Shweta Bhardwaj**  
(Director)  
DIN: 03521776

  
**Amarnath Dey**  
(Chief Financial Officer)

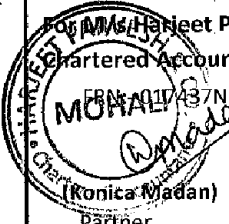
  
**Puneet Kaur**  
(Company Secretary)

**PROMAX POWER LIMITED**  
**CONSOLIDATED BALANCE SHEET AS ON 31.03.2022**  
**CIN: U74999CH2017PLC041692**

Particulars	Note No.	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	6,00,00,000	4,40,00,000
(b) Reserves & Surplus	4	78,32,358	52,45,005
<b>(2) Share application money pending allotment</b>			
<b>(3) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	1,19,28,451	3,00,34,577
(b) Deferred Tax Liability	6	34,22,302	24,13,664
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	7	8,58,54,367	3,08,49,890
(b) Trade Payables	8		
Micro enterprises and small enterprises			
Other than MSME		9,10,35,436	8,64,07,659
(c) Other current liabilities	9	2,39,81,041	56,92,493
(d) Short term provisions	10	30,000	-
<b>TOTAL</b>		<b>28,40,83,956</b>	<b>20,46,43,288</b>
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property Plant and Equipment and Intangible assets	11		
(i) Property, Plant and Equipment		2,31,95,156	2,51,06,416
(ii) Intangible assets		91,422	1,21,422
(b) Non-current investments	12	9,59,436	3,96,726
(c) Long-term loans and advances	13	-	89,91,000
<b>(2) Current assets</b>			
(a) Inventories	14	10,21,31,209	6,89,07,888
(b) Trade Receivables	15	10,55,60,780	6,54,25,982
(c) Cash & cash equivalents	16	3,68,20,960	3,01,26,329
(d) Short term loan and advances	17	1,53,24,994	55,67,525
<b>TOTAL</b>		<b>28,40,83,956</b>	<b>20,46,43,288</b>

**NOTES TO ACCOUNTS**

Notes and significant Accounting Policies referred to above and annexed there to form an Integral Part of Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

**For M/s. Harjeet Parvesh & Co.**  
**Chartered Accountants**  
  
**(Konica Madan)**  
 Partner  
 M.No. 547759

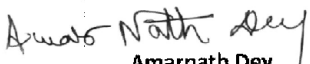
**For Promax Power Limited**  
**For and on behalf of the Board of Directors**

**Promax Power Limited**  
  
**Director**  
**Vishal Bhardwaj**  
**(Managing Director)**  
**DIN: 03133388**

**Promax Power Limited**  
  
**Director**  
**Shweta Bhardwaj**  
**(Director)**  
**DIN: 03521776**



Place : Chandigarh  
 Date : 23/05/2022

  
**Amarnath Dey**  
**(Chief Financial Officer)**

  
**Puneet Kaur**  
**(Company Secretary)**

**PROMAX POWER LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING AS ON 31.03.2022**  
**CIN: U74999CH2017PLC041692**

Particulars	Note No.	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
<b>I. Revenue from operations</b>	18	39,57,91,590	36,87,07,130
<b>II. Other Income</b>	19	17,29,678	1,83,756
<b>III. Total Revenue (I+II)</b>		<b>39,75,21,268</b>	<b>36,88,90,886</b>
<b>IV. Expenses:</b>			
(a) Purchases	20	35,36,65,205	30,99,48,951
(b) Changes in inventories	21	(3,32,23,321)	1,35,66,750
(c) Employee Benefit	22	2,70,94,235	2,10,60,261
(d) Finance costs	23	1,06,61,360	53,34,917
(e) Depreciation and Amortization Expenses	11	9,58,593	9,84,218
(f) Other Expenses	24	3,53,31,914	1,47,03,847
<b>Total expenses (IV)</b>		<b>39,44,87,986</b>	<b>36,55,98,944</b>
<b>V. Profit before exceptional, Extraordinary Item and Taxes</b>	(III-IV)	<b>30,33,282</b>	<b>32,91,942</b>
<b>VI. Extraordinary Items and Depreciation written back</b>			35,98,252
<b>VII. Profit before tax</b>	(V-VI)	<b>30,33,282</b>	<b>68,90,195</b>
<b>VIII. Tax expense:</b>			
(1) Current tax			
(2) Deferred tax		10,08,638	24,13,664
(3) Income Tax of Earlier Years			1,41,835
<b>IX. Profit before share in net profit/(loss) of Associate</b>		<b>20,24,643</b>	<b>43,34,696</b>
<b>X. Share in Net profit/loss in Associate</b>		5,62,710	3,46,756
<b>XI. Profit for the year</b>		<b>25,87,354</b>	<b>46,81,452</b>
<b>XII. Earning per equity share:</b>			
(1) Basic		0.50	0.78
(2) Diluted		0.50	0.78

Notes and Significant Accounting Policies referred to above and annexed there to form an Integral part of Statement of Profit & Loss.  
This is the Statement of Profit & Loss referred to in our Report of even date.

For M/S Harjeet Parvesh & Co.

Chartered Accountants

FRN:- 004437N

**MOHALI**  
(Konica Madan)

Particulars  
No. 54/7759

Place : Chandigarh  
Date : 23/05/2022

For Promax Power Limited

For and on behalf of the Board of Directors

Promax Power Limited

Vishal Bhardwaj  
Director  
(Managing Director)  
DIN: 03133388

Promax Power Limited

Shweta Bhardwaj  
Director  
(Director)  
DIN: 03521776

Amarnath Dey  
(Chief Financial Officer)

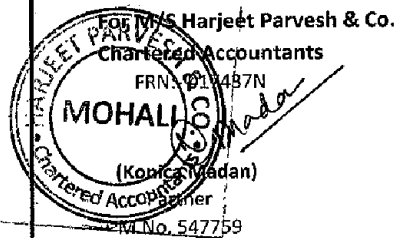
Puneet Kaur  
(Company Secretary)

**PROMAX POWER LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31.03.2022**

	PARTICULARS	Note No.	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before tax & exceptional items		30,33,282	68,90,196
	Adjustment for Depreciation	11	9,58,593	(26,14,034)
	Interest Expense	23	1,06,61,360	53,34,917
	Operating Profit before working capital changes		<b>1,46,53,235</b>	<b>96,11,078</b>
	Adjustments for increase /decrease in Current Assets		(8,31,15,587)	2,02,67,237
	Decrease / Increase in Current Liabilities/ Provisions		2,29,46,325	17,64,321
	Net Income Tax (Paid)/Refund			(1,41,833)
	<b>Net Cash Flow from operating activities (A)</b>		<b>(4,55,16,028)</b>	<b>3,15,00,803</b>
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of Fixed Assets	11	(46,100)	(73,02,515)
	Sale of Fixed Assets	11	10,28,767	
	Increase in long term loans and Advances			(89,91,000)
	Purchase of Non Current Investment			(49,970)
	<b>Net Cash Flow from Investing Activities (B)</b>		<b>9,82,667</b>	<b>(1,63,43,485)</b>
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceed from Share Capital	3	1,60,00,000	4,39,00,000
	Proceeds from Long term Borrowing	5	(1,81,06,126)	(3,59,04,441)
	Proceeds from Short term Borrowing	7	5,50,04,477	(1,52,51,294)
	Interest Expense	23	(1,06,61,360)	(53,34,917)
	Proceeds from Long term Advances	13	89,91,000	
	<b>Net Cash from Financing Activities (C)</b>		<b>5,12,27,991</b>	<b>(1,25,90,653)</b>
	<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>66,94,630</b>	<b>25,66,665</b>
	Cash & Cash Equivalents as at 31.03.2020			2,75,59,663
	Cash & Cash Equivalents as at 31.03.2021	16	3,01,26,329	3,01,26,328
	Cash & Cash Equivalents as at 31.03.2022	16	3,68,20,959	

**AUDITOR'S REPORT**

As per our separate report of even date



Place : Chandigarh  
Date : 23/05/2022

For Promax Power Limited  
For and on behalf of the Board of Directors

Promax Power Limited  
Vishal Bhardwaj  
(Director)  
DIN: 03133388

Promax Power Limited  
Shweta Bhardwaj  
(Director)  
DIN: 03521776

Amarnath Dey  
(Chief Financial Officer)

Puneet Kaur  
(Company Secretary)



**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 3: SHARE CAPITAL**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	<b>AUTHORISED SHARE CAPITAL</b> 60,00,000 Equity shares of Rs. 10/-each (Previous Year 44,00,000 Equity Shares of Rs 10/- each)	6,00,00,000	4,40,00,000
2	<b>ISSUED SUBSCRIBED &amp; PAID UP</b> 60,00,000 Equity Shares of Rs. 10/- each fully paid up. (Previous Year 44,00,000 Equity Shares of Rs 10/- each)	6,00,00,000	4,40,00,000
	<b>Total</b>	<b>6,00,00,000</b>	<b>4,40,00,000</b>

**3.1 The details of Shareholders holding more than 5% shares:**

Sr. No	Name Of Shareholders	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Vishal Bhardwaj	34,77,480(57.96%)	34,77,480(79.03%)
2	Shweta Bhardwaj	9,22,470(15.38%)	9,22,470(20.97%)
	<b>Total</b>	<b>43,99,950</b>	<b>43,99,950</b>

**3.2 The reconciliation of the number of shares outstanding is set out below:**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Equity Shares at the beginning of the year	44,00,000	44,00,000
2	Add: Shares issued during the year	16,00,000	-
	<b>Equity Shares at the end of the year</b>	<b>60,00,000</b>	<b>44,00,000</b>

**3.3 Details of shares held by promoters**

Sr. No	Name of Promoters	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Vishal Bhardwaj	34,77,480(57.96%)	34,77,480(79.03%)
2	Shweta Bhardwaj	9,22,470(15.38%)	9,22,470(20.97%)
	<b>Total</b>	<b>43,99,950</b>	<b>43,99,950</b>

**Rights, Preference and restriction attached to shares**

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors are subject to shareholders approval in ensuing AGM except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all the preferential amount in proportion to their shareholding.



**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 4: RESERVES & SURPLUS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	<b>Retained Earnings</b>		
	As per last Balance sheet	52,45,005	5,63,553
	Add: Profit/Loss During the year	25,87,354	46,81,452
	<b>Total</b>	<b>78,32,358</b>	<b>52,45,005</b>

**NOTE 5: LONG TERM BORROWINGS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Long Term Debt(Unsecured)	1,19,28,451	2,22,13,568
2	Loan from Directors and their relatives(Unsecured)	-	78,21,009
	<b>Total</b>	<b>1,19,28,451</b>	<b>3,00,34,577</b>

**NOTE 6: DEFERRED TAX LIABILITY**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	On Account of Depreciation on Fixed Assets	34,22,302	24,13,664
	<b>Total</b>	<b>34,22,302</b>	<b>24,13,664</b>

**NOTE 7: SHORT TERM BORROWINGS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
	Current Maturities of Long Term Debt	1,49,68,849	6,08,807
	Other Short Term Borrowings	3,76,20,257	2,48,842
	<b>Working Capital loan from banks</b>		
	Karnataka Bank	3,32,65,261	2,99,92,241
	(Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Promoter Director)		
	<b>Total</b>	<b>8,58,54,367</b>	<b>3,08,49,890</b>

**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 8: TRADE PAYABLES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Total outstanding dues of micro enterprises and small enterprises	-	-
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	9,10,35,436	8,64,07,659
	<b>Total</b>	<b>9,10,35,436</b>	<b>8,64,07,659</b>

8.1 Please refer note no. 29 for aging details

**NOTE 9: OTHER CURRENT LIABILITIES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Audit Fee Payable		24,500
2	Remuneration to directors	15,50,596	41,00,000
3	Advance from customers	2,01,54,643	
4	Salary Payable	16,86,192	
5	ESI/PF Payable	25,870	
6	GST Payable	1,35,555	
7	TDS Payable	2,97,875	13,84,489
8	TCS Payable	1,30,310	1,83,504
	<b>Total</b>	<b>2,39,81,041</b>	<b>56,92,493</b>

**NOTE 10: SHORT TERM PROVISIONS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Provision for Audit Fees	30,000	
	<b>Total</b>	<b>30,000</b>	<b>-</b>

**NOTE 11: PROPERTY PLANT AND EQUIPMENTS**

Sr. No	Particulars	Gross Block				Depreciation/Writtenoff			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2022	WDV as on 31.03.2021
1)	Property plant and Equipment										
	Car	8,60,111		-	8,60,111	81,933	57,341		1,39,274	7,20,837	7,78,178
	Computer & Printers	12,33,911	46,100	-	12,80,011	3,70,171	2,19,061		5,89,232	6,90,779	8,63,740
	Furniture & fixture	1,57,960		-	1,57,960	4,742	15,796		20,538	1,37,422	1,53,218
	Plant & Machinery	28,16,696		-	28,16,696	84,295	1,40,835		2,25,130	25,91,566	27,32,401
	Solar Power Plant	2,09,19,800		12,86,416	1,96,33,384	4,29,450	4,90,835	2,57,649	6,62,636	1,89,70,748	2,04,90,350
	Air Conditioner	94,529		-	94,529	6,000	4,726		10,726	83,803	88,529
	Total	2,60,83,007	46,100	12,86,416	2,48,42,691	9,76,591	9,28,593	2,57,649	16,47,535	2,31,95,156	2,51,06,416
	PREVIOUS YEAR	1,87,80,493	73,02,515	-	2,60,83,008	20,874	9,55,718	-	9,76,592	2,51,06,416	1,51,80,039

11.1 The Company has given the solar panel on lease to its related party for five years on 06th January 2020 but the due to COVID 19 the company has waived off the charges till 31st March 2022.

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	WDV as on 31.03.2022	WDV as on 31.03.2021
2)	Intangible Assets									
	Goodwill	1,50,000			1,50,000	28,578	30,000		58,578	91,422
	Total	1,50,000	-	-	1,50,000	28,578	30,000	-	58,578	91,422
	PREVIOUS YEAR	1,50,000	-	-	1,50,000	78	28,500	-	28,500	1,21,422
									1,21,422	1,31,250

11.2 The above goodwill is on account of acquisition by the company its proprietorship concern promax technologies through slump sale

**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 12: LONG TERM INVESTMENTS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
	Investment In Scholab Limited	3,96,726	49,970
	Add: Profit/(Loss) for the year	5,62,710	3,46,756
	<b>Total</b>	<b>9,59,436</b>	<b>3,96,726</b>

12.1 The company holds 49.97% shares of scholab global limited as on 31st March 2022 and there is no change in shareholding during the year

**NOTE 13: LONG TERM LOANS AND ADVANCES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Advance to Scholab Global Limited		89,91,000
	<b>Total</b>	<b>-</b>	<b>89,91,000</b>

**NOTE 14: INVENTORIES**

(Unsecured , Considered Good)

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Finished Goods	10,21,31,209	6,89,07,888
	<b>Total</b>	<b>10,21,31,209</b>	<b>6,89,07,888</b>

14.1 Inventory is hypothecated to Bank for working capital facility

14.2 Inventories are valued as per method described in significant accounting policies.

**NOTE 15: TRADE RECEIVABLES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Trade receivable Considered good – Unsecured	10,55,60,780	6,54,25,982
	<b>Total</b>	<b>10,55,60,780</b>	<b>6,54,25,982</b>

15.1 Trade Receivable is hypothecated to Bank for working capital facility

15.2 Please refer to Note 30 for aging details

**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 16: CASH & CASH EQUIVALENTS**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Bank Balance	30,946	5,09,004
2	Cash in hand	3,35,936	2,15,769
3	Fixed Deposits	3,64,54,078	2,94,01,556
	<b>Total</b>	<b>3,68,20,960</b>	<b>3,01,26,329</b>

16.1 Fixed Deposits of 364.54 lakhs with bank as margin money for Bank guarantees/Letter of Credit

**NOTE 17: SHORT TERM LOAN AND ADVANCES**  
**(Unsecured , Considered Good)**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Balance with Government Authorities	8,61,379	46,71,295
2	Statutory balances with Suppliers	2,07,466	
3	Employee Advances	2,73,706	
4	Advances to suppliers	70,33,926	
5	Retention Money	44,18,518	
6	Securities Deposit	2,70,000	4,25,000
7	Income Tax Refund AY 2021-22	6,72,344	
8	Tax Receivables	15,87,655	4,71,230
	<b>Total</b>	<b>1,53,24,994</b>	<b>55,67,525</b>

**PROMAX POWER LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 18: REVENUE FROM OPERATIONS**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
	<b>Construction activities</b>		
1	Electrical products	22,09,85,386	20,50,35,653
2	Other than electric products	17,48,06,204	16,36,71,477
	<b>Total</b>	<b>39,57,91,590</b>	<b>36,87,07,130</b>

**NOTE 19: OTHER INCOME**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Interest on FDR	17,29,678	1,83,756
	<b>Total</b>	<b>17,29,678</b>	<b>1,83,756</b>

**NOTE 20: PURCHASES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Electrical Products	15,94,11,904	19,73,89,025
2	Other than electric products	19,42,53,301	11,25,59,926
	<b>Total</b>	<b>35,36,65,205</b>	<b>30,99,48,951</b>

**NOTE 21: CHANGE IN INVENTORIES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
	<b>Opening Stock</b>		
	Finished Goods	6,89,07,888	8,24,74,637
	<b>Closing Stock</b>		
	Finished Goods	10,21,31,209	6,89,07,888
	<b>Change in Finished goods</b>	<b>(3,32,23,321)</b>	<b>1,35,66,749</b>

**NOTE 22: EMPLOYEE BENEFIT EXPENSES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Staff Salary	2,34,07,744	1,56,60,261
2	Remuneration to Directors	30,00,000	54,00,000
3	Staff welfare	5,40,920	
4	ESI & PF	1,45,571	
	<b>Total</b>	<b>2,70,94,235</b>	<b>2,10,60,261</b>

**NOTE 23: FINANCIAL EXPENSES**

Sr. No	Particulars	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
1	Interest on Loan	1,06,61,360	53,34,917
	<b>Total</b>	<b>1,06,61,360</b>	<b>53,34,917</b>

**NOTE 24: OTHER EXPENSES**

<b>Sr. No</b>	<b>Particulars</b>	<b>For the Period Ended 31.03.2022</b>	<b>For the Period Ended 31.03.2021</b>
<b>1</b>	<b>Administration Expenses</b>		
	Legal and Professional Charges	6,44,573	
	Repair and Maintance	1,14,296	
	Rent	11,36,365	40,944
	Telephone Exp	39,186	
	Printing and Stationery	69,391	
	Office Expenses	9,17,972	15,30,187
	Donation	54,000	
	IPO related Expenses	14,27,952	
	Insurance	19,599	
	Rate, Fees & Taxes	6,700	6,03,586
	Interest on TDS	3,41,407	
	Bank Charges	21,95,142	11,45,996
	Other Expenses	15,47,012	
<b>2</b>	<b>Payment to Auditors</b>		
	Audit Fees	30,000	21,000
<b>3</b>	<b>Construction Expenses</b>		
	Fuel and electiricty	37,20,367	1,71,193
	ROW FTGR	50,45,500	
	Consumables	1,44,79,470	1,05,34,119
<b>4</b>	<b>Selling &amp; Advertisement Expenses</b>		
	Discount given	1,39,839	
	Transport Charges	17,12,752	
	Sales and promotion Expenses	7,16,976	
	Travelling expenses	9,73,415	6,56,822
	<b>Total</b>	<b>3,53,31,914</b>	<b>1,47,03,847</b>



**PROMAX POWER LIMITED**  
**NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**CIN: U74999CH2017PLC041692**

**NOTE 25: CONTINGENT LIABILITIES**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Claim against company not acknowledged as debts	NIL	NIL
2	Estimated amount of contracts remaining to be executed on capital account	NIL	NIL
3	LC Given against Purchase of Goods	2,26,99,580	2,83,10,734
4	BG Given against Purchase of Goods	3,39,28,939	93,98,485

During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountant of India. Based on such review, no provision for impairment is required to be recognized for the year.

**NOTE 27: EARNING PER SHARE**

The calculation of Earning per share (EPS) are based on the earnings and number of shares as computed below:

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
	Weighted average number of shares in calculating the basic EPS and diluted EPS	52,00,000	44,00,000
	Earning per share (Face value 10 /each)		
	Earning per share - Basic	0.39	5.75
	Earning per share - Diluted	0.39	5.75

**NOTE 28: VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF:**

Sr. No	Particulars	Figures as at the end of 31.03.2022	Figures as at the end of 31.03.2021
1	Raw & Packing Material	-	-
2	Capital Goods	-	-
3	Other Components and spare parts	-	-
	<b>Total</b>	-	-

**NOTE 29: AGEING OF CREDITORS**

Sr. No	Particulars	Outstanding for following periods from due date of payment				TOTAL
		<1 year	>1 <2 Years	>2 <3 Years	>3 Years	
1	MSME	-	-	-	-	-
2	Others	8,46,54,483	63,80,953	-	-	9,10,35,436
3	Disputed					
	Disputed-MSME					
	Disputed-Others					

**NOTE 30: AGEING OF DEBTORS**

Sr. No	Particulars	Outstanding for following periods from due date of payment					TOTAL
		<6 Months	>6 months <1 Year	>1 Years <2 Years	>2 <3 Years	More than 3 years	
1	(i) Undisputed Trade receivables – considered good	8,16,96,740	84,73,399	1,53,90,640			10,55,60,780
2	(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
3	(iii) Undisputed Trade Receivables – credit impaired						
4	(iv) Disputed Trade Receivables– considered good						
5	(v) Disputed Trade Receivables – which have significant increase in credit risk						
6	(vi) Disputed Trade Receivables – credit impaired						

**31 Related Party Disclosures**

(Amount in Rupees)

	Particulars	Entities in which Director is Interested	Key management personnel	Total
1	<b>Management Personnel</b>			
	Vishal Bhardwaj		18,00,000	18,00,000
	Shweta Bhardwaj		12,00,000	12,00,000
2	<b>Sales made by the company</b>			
	Promax carbontier Private Limited	34,61,920		34,61,920
	Sizzle Impex Private Limited	11,56,08,758		11,56,08,758
	Zorbyte International	10,29,43,474		10,29,43,474
3	<b>Purchase made by the company</b>			
	Amunra	7,06,03,457		7,06,03,457
	Pharoahs Enterprises Private Limited	12,24,27,984		12,24,27,984
	Promax Technologies	12,21,860		12,21,860
4	<b>Balance as at the year-end</b>			
	Shweta Bhardwaj		(13,48,417)	(13,48,417)
	Promax carbontier Private Limited	11,52,219		11,52,219
	Sizzle Impex Private Limited	(1,91,32,871)		(1,91,32,871)
	Zorbyte International	19,34,187		19,34,187
	Pharoahs Enterprises Private Limited	(2,64,81,188)		(2,64,81,188)
	Promax Technologies	24,23,468		24,23,468

**NOTE 32: ANALYTICAL RATIOS**

S.No	Particulars	Ratios
(a)	Current Ratio	1.29
(b)	Debt – Equity Ratio	1.44
(c)	Debt Service Coverage Ratio	0.40
(d)	Return On Equity	0.03
(e)	Inventory Turnover Ratio	3.75
(f)	Trade Receivable Ratio	4.63
(g)	Trade Payable Ratio	3.99
(h)	Net Capital Turnover ratio	7.46
(i)	Net Profit Ratio	0.01
(j)	Return on capital employed (ROCE)	0.10

For M/S Parvesh & Co.  
Chartered Accountants  
FRN: 017437

(Konica Madan)  
Partner  
M.No. 547759

Place : Chandigarh  
Date: 23/05/2022

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For Promax Power Limited  
For and on behalf of the Board of Directors

Promax Power Limited

Vishal Bhardwaj  
(Managing Director)  
DIN: 03133388

Promax Power Limited

Shweta Bhardwaj  
(Director)  
DIN: 03521776



Anamath Day  
(Chief Financial Officer)

Punzel Kaur  
(Company Secretary)