

**28<sup>th</sup>**  
**ANNUAL REPORT**  
**2015 - 2016**



**Shree Pacetrnix Ltd.**

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*Technology Serving Humanity*

*An ISO-9001 Company*

**BOARD OF DIRECTORS AND KMP**

Mr. Atul Kumar Sethi	-	Managing Director
Mrs. Amita Sethi	-	Whole Time Director
Mr. Vikas Gokhale	-	Whole Time Director
Mr. Sushil Kumar Patni	-	Independent Director
Mr. Pravin Kumar Badjatya	-	Independent Director
Mr. Anil Rathi	-	Independent Director
Mr. Ashok Atulkar	-	Chief Financial Officer

**BANKER**

Bank of India  
Santha Bazar, Indore, MP

**AUDITORS**

M/S S.R. Naredi & Co.  
Chartered Accountants  
204-205, Manas Bhawan Extn.  
(New Wing) 11, R. N. T. Marg.  
Indore - 452001

**REGISTERED OFFICE & WORKS**

Plot No. 15, Sector II,  
Industrial Area, Pithampur,  
Dist. Dhar (M.P.) 454775  
Phone: 07292-411105,  
Fax: 07292-400418  
Email: pacetronix@hotmail.com  
CIN: L33112MP1988PLC004317

**SHARE TRANSFER AGENT**

ANKIT CONSULTANCY PRIVATE LIMITED  
60, Electronic Complex,  
Pardeshipura, Indore- 452010  
Phone- 0731-2551745-46  
Fax- 0731-4065798  
E Mail ID: mail@ankitonline.com

**NOTICE**

Notice is hereby given that 28th Annual General Meeting of the members of **Shree Pacetronix Limited** will be held on Friday, 30th September, 2016 at 11:00 AM at the registered office of the company at Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Amita Sethi (DIN-00245722), who is liable to retire by rotation and being eligible offers herself for re-appointment.
3. **Appointment of Statutory Auditor to fill the casual vacancy**

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 139(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s Ajay Sharma and Company, Chartered Accountants (ICAI Firm Registration No: 013306C), Indore be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s S. R. Naredi & Co, Chartered Accountants, (ICAI Firm Registration No. 002818C).

**RESOLVED FURTHER THAT** M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore shall hold the office of Statutory Auditors of the Company from 10th August, 2016 till the conclusion of the 28th Annual General Meeting and they shall conduct the Statutory Audit for the financial year ended 31st March, 2017, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

4. **Appointment of Statutory Auditor**

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

**“RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the provisions of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s Ajay Sharma and Company, Chartered Accountants (ICAI Firm Registration No: 013306C), Indore be and are hereby appointed as Statutory Auditors of the Company to hold office for five years from the conclusion of this 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting of the Company) to conduct the statutory audit for the financial year 2016-2017 to 2020-2021, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

5. **RE-APPOINTMENT OF MR. ATUL KUMAR SETHI AS THE MANAGING DIRECTOR OF COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the members of the Company be and are hereby granted for the re-appointment and remuneration being paid or provided to **MR. ATUL KUMAR SETHI** (DIN-00245685) as one of the whole-time Key Managerial Person to be designated as the Managing Director of the Company for a further period of three years commencing from 1<sup>st</sup> December, 2016 to 30<sup>th</sup> November, 2019, on the following terms and conditions as given below:

**CATEGORY A-**

- a. **Basic Salary-** Rs. 1,60,000/- per month which shall be subject to upward revision of 10% per annum.
- b. **Perquisites and allowances:** The Company shall provide perquisites and allowances subject to maximum of 50% of the Basic salary. The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel Concession or any other allowances.

**CATEGORY B-****EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:**

- a. **Employers Contribution to PF:** As per the rules of the Company.
- b. **Gratuity:** As per the rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.

- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

**CATEGORY C-**

**FACILITIES TO PERFORM THE COMPANIES WORK:**

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
- b. **Telephone, Internet & Cell:** Free use of telephone, cell phone and internet.

**RESOLVED FURTHER THAT** MR. ATUL KUMAR SETHI, Managing Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to MR. ATUL KUMAR SETHI shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as Board may deems fit within the limits specified in schedule V of the Companies Act, 2013 as existing or amended, modified or re-enacted from time to time".

**6. RE-APPOINTMENT OF MRS. AMITA SETHI AS THE WHOLE TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the members of the Company be and are hereby granted for the re-appointment and remuneration being paid or provided to **MRS. AMITA SETHI** (DIN- 00245722) as one of the whole-time Key Managerial Person to be designated as the **Whole Time Director** of the Company for a further period of three years commencing from 1<sup>st</sup> December, 2016 to 30<sup>th</sup> November, 2019, on the following terms and conditions as given below:

**CATEGORY A-**

- a. **Basic Salary-** Rs. 40,000/- per month which shall be subject to upward revision of 10% per annum.
- b. **Perquisites and allowances:** The Company shall provide perquisites and allowances subject to maximum of 50% of the Basic salary. The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel Concession or any other allowances.

**CATEGORY B-**

**EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:**

- a. **Employers Contribution to PF:** as per the rules of the Company.
- b. **Gratuity:** as per the rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.
- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

**CATEGORY C-**

**FACILITIES TO PERFORM THE COMPANIES WORK:**

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by her.
- b. **Telephone, Internet & Cell:** Free use of telephone, cell phone and internet.

**RESOLVED FURTHER THAT** MRS. AMITA SETHI, Whole time Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by her in connection with the Company's business.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to MRS. AMITA SETHI shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during her tenure.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as Board may deems fit within the limits specified in schedule V of the companies Act, 2013 as existing or amended, modified or re enacted from time to time”.

**7. Adoption of new set of Articles of Association of the Company**

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 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. To make investments under Section 186 of the Companies Act, 2013.**

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

“**RESOLVED THAT** pursuant to provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as “the Board”) to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of company’s paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total investments made shall not at any time exceed Rs. 50 Crores, (Rupees fifty Crores only) over and above the paid up share capital, free reserves and securities premium account of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and the Director(s) or the person authorized by the Board be and are hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**PLACE:** Pithampur

**DATE:** 29.08.2016

**Registered office**

Plot No. 15, Sector No. II

Industrial Area

Pithampur, 454775

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Atul Kumar Sethi**

Managing Director

(DIN- 00245685)

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to effective must be received by the company not less than 48 hours before the time fixed for the meeting. Proxy holder may vote either for or against each resolution.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 is given below and forms part of the Notice.
5. Additional information, pursuant to the Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, in respect of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30th September 2016 forms part of the notice.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the Board's Report.
7. The Company's Register of members and Share Transfer Books shall remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive).
8. The Members are requested to:
  - a. Intimate changes, if any, in their registered addresses immediately.
  - b. Quote their ledger folio number in all their correspondence.
  - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - d. Bring the Annual Report and Attendance Slips with them at the AGM venue.
9. Members seeking any information are requested to write to the Company by email at [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to M/s Ankit Consultancy Private Limited., for consolidation into a single folio.
12. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Ankit Consultancy Private Limited, 60, Electronic Complex, Pardeshipura, Indore MP.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
14. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015 and the Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Ankit Consultancy Private Limited to enable the Company to send all communications electronically.
15. Members may also note that the Annual Report for FY 2015-16 is also available for downloading on Company's website [www.pacetronix.com](http://www.pacetronix.com)
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat

accounts. Members holding shares in physical form can submit their PAN to the Company and/or M/s Ankit Consultancy Private Limited, Registrar and share transfer agent of Company.

17. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday during the business hours of the Company up to the date of the Annual General meeting.

#### 18. Voting through electronic means

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- (iii) The members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
- (iv) The voting period begins on 27th September 2016 (9.00 am) and ends on 29th September 2016 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>RD</sup> September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (v) Instructions for the voting through electronic means
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>■ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>■ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</li> </ul>

**NOTE: Please keep the sequence number in safe custody for future e-voting.**

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant 'SHREE PACETRONIX LIMITED' on which you choose to vote.
- k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- s. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (vi) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23<sup>RD</sup>, September 2016.
- (vii) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process and voting by poll at AGM in a fair and transparent manner.
- (viii) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- (ix) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (x) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com) and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 3-Appointment of Statutory Auditor to fill the casual vacancy**

The Members of the Company at the 26th Annual General Meeting held on 29th September, 2014 had appointed M/s S. R. Naredi & Co, Chartered Accountants (ICAI Firm Registration No. 002818C), Indore as Statutory Auditor of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2017 subject to ratification of the appointment by the Members at every Annual General Meeting of the Company.

M/s S. R. Naredi & Co, Chartered Accountants, vide their letter dated 2nd August, 2016 have tendered their resignation from the position of Statutory Auditors due to their pre-occupation which was resulted into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139(8) of Companies Act, 2013, appointed M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore, as the Statutory Auditor of the Company to fill the casual vacancy for financial year 2016-2017 caused by the resignation of M/s S. R. Naredi & Co, Chartered Accountants, subject to the approval by the members in the 28th Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent and eligibility certificate from M/s Ajay Sharma and Company, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s S. R. Naredi & Co, Chartered Accountants, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the Resolution at Item No. 3.

The Board recommends the Resolution at Item No. 3 for approval of the Members.

**Item No. 4- Appointment of Statutory Auditor**

The Board of Directors at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, recommended the appointment of M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore as Statutory Auditors of the Company to hold office for five years, from the conclusion of the 28th Annual General Meeting, till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2021 to conduct the statutory audit for the financial year 2016-2017 to 2020-2021 (subject to ratification of the appointment by the Members at every Annual General Meeting) at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent and eligibility certificate from M/s Ajay Sharma and Company, Chartered Accountants to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 4.

The Board recommends the Resolution at Item No. 4 for approval of the Members.

**Item No. 5- Re-appointment of Mr. Atul Kumar Sethi as the Managing Director of Company**

Mr. Atul Kumar Sethi is serving in capacity of Managing Director of the Company and his tenure shall be expired on 30th November, 2016 upon completion of 3 years of his appointment as Managing Director.

Mr. Atul Kumar Sethi having 20 years of experience in industries and is acquainted with through knowledge of business of manufacturing and selling of medical devices. His experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that he should continue in the capacity of Managing Director.

Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 10th August, 2016 has re-appointed Mr. Atul Kumar Sethi as Managing Director of the Company (subject to the approval of Members in General Meeting) for a further period of 3 years w.e.f. 1st December, 2016.

The Board considered that the terms and conditions and remuneration as given in the Item No. 5 of the notice is commensurate with his high responsibilities, status and image of the Company.

The resolution seeks approval of Members in terms of section 196 and 197 read with schedule V and other applicable provision of Companies act, 2013 and rules made there under for the re-appointment of Mr. Atul Kumar Sethi as Managing Director.

The Board recommends the Ordinary resolution set forth in item No 5 of Notice for approval of members.

Mr. Atul Kumar Sethi and Mrs Amita Sethi are concerned or financially interested in the proposed resolution. None of other Directors and Key Managerial Personnel is concerned or interested in the proposed resolution.

**Item No. 6- Re-appointment of Mrs. Amita Sethi as the Whole Time Director of the Company**

Mrs. Amita Sethi is serving in capacity of whole time Director of the Company and her tenure shall be expired on 30th November, 2016 upon completion of 3 years of her appointment as Whole time Director.

Mrs. Amita Sethi having 14 years of experience in industries and is acquainted with through knowledge of business of manufacturing and selling of medical devise. Her experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that she should continue in the capacity of Whole time Director.

Thus upon recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 10th August, 2016 has re-appointed Mrs. Amita Sethi as whole time Director of the Company (subject to the approval of Members in General Meeting) for a further period of 3 years w.e.f. 1<sup>st</sup> December, 2016.

The Board considered that the terms and conditions and remuneration as given in the Item No. 6 of the notice is commensurate with their high responsibilities, status and image of the Company.

The resolution seeks approval of Members in terms of section 196 and 197 read with schedule V and other applicable provision of Companies Act, 2013 and rules made there under for the re-appointment of Mrs. Amita Sethi as whole time Director.

The Board recommends the Ordinary resolution set forth in item No 6 of Notice for approval of members.

Mr. Atul Kumar Sethi and Mrs Amita Sethi are concerned or financially interested in the proposed resolution. None of other directors and Key Managerial Personnel are concerned or interested in the proposed resolution.

**Item No. 7- Adoption of new set of Articles of Association of the Company**

The existing Articles of Association ("Articles") of the Company are based on the erstwhile Companies Act, 1956 and several regulations in the existing Articles contain reference to the specific sections of the erstwhile Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles by adopting a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M to 01.00 P.M excluding Saturday up to the date of forthcoming Annual General Meeting.

The Board of Directors recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the Resolution.

**Item No. 8- To make investments under Section 186 of the Companies Act, 2013:**

As a measure of achieving greater financial flexibility and to enable optimal financial structuring and to facilitate speedy implementation of its plans, it is proposed that the Board of Directors be authorized to make investments up to Rs. 50 Crores (Rupees Fifty Crores only) over and above the paid up share capital, free reserves and securities premium account of the Company in other body corporate(s) by way of subscription and/or purchase of their securities.

As per Section 186 of the Companies Act, 2013, a Company cannot make investments in excess of the limits set out therein unless it is previously authorized by a Special Resolution in general meeting. Hence, it is necessary to obtain approval for the same from the Members. The funds required for investments will be sourced through internal accruals, securities issue and/or borrowings.

The Board recommends passing of the resolution set forth in item No 8 of Notice by the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the proposed resolutions.

**ADDITIONAL INFORMATION OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING AS PER REGULATION 36 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION 2015.**

NAME OF DIRECTORS	MR. ATUL KUMAR SETHI	MRS. AMITA SETHI
DIN	00245685	00245722
Date of Birth	17/04/1962	01/06/1966
Date of Appointment	11/01/1988	01/12/2010
Expertise / Experience in specific functional areas	20 Years of Experience of Business and Industry	14 Years of Experience of Business and Industry
Qualification	MBA (Marketing)	MA
No. of shares	705406	102605
% of Equity Shares held	19.6	2.85
Other listed entities in which he/she holds the directorship	NIL	NIL
Other listed entities in which he/she holds the membership/ Chairmanship of Committees of the board	NIL	NIL
Relationships between directors inter-se	Mrs. Amita Sethi is spouse of Mr. Atul Kumar Sethi	Mr. Atul Kumar Sethi is spouse of Mrs. Amita Sethi

**PLACE:** Pithampur

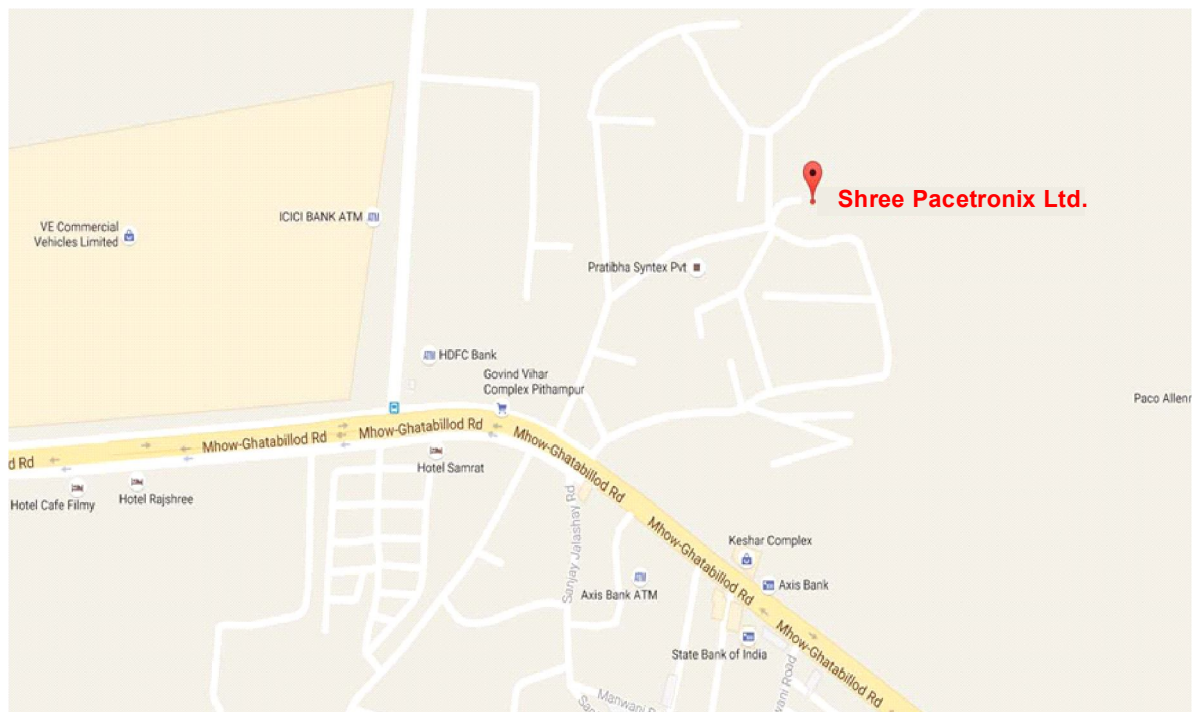
**DATE:** 29.08.2016

**Registered office**  
Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

By order of the Board of Directors of  
**Shree Pacetronix Limited**

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Road Map**



## BOARD S' REPORT

To,  
The Members of  
**Shree Pacetronix Limited,**  
**Pithampur-454775**

Your directors are pleased to present the 28<sup>th</sup> Annual Report together with the Audited financial Statement for the year ended 31<sup>st</sup> March, 2016.

### 1. STATE OF AFFAIRS, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK :

#### 1.1 Financial Results highlights and summary

(Rs. in lacs)

Particulars	As on 31.03.2016	As on 31.03.2015
<b>Total Revenue</b>	741.25	626.91
Less : Total Expenditures	631.31	527.47
<b>Profit before Interest, Tax &amp; Depreciation</b>	109.94	99.44
Less : Financial Charges	35.04	40.57
Less : Depreciation	68.63	67.69
<b>Profit/(Loss) before tax</b>	6.27	-8.82
Less: Provision for tax- Current Tax	11.43	6.40
Deferred Tax	-4.25	-11.58
<b>Profit/(Loss) after tax</b>	-0.91	-3.65

### 1.2 OPERATIONS AND FUTURE OUTLOOK:

During the year under review the Company has recorded total revenue of Rs. 741.25 Lacs against the total revenue of Rs. 626.91 Lacs in the Previous Financial Year, registering a growth of 18.23%. The Company has earned profit before tax of Rs. 6.27 Lacs as compared to Loss before tax of Rs. -8.82 Lacs in previous Financial Year.

At the other hand the profit of the company has been affected due to higher overhead Cost, manufacturing and tax expenses, the bottom line of the Company remained negative and the Company has incurred losses. However the net loss of the Company has been reduced to 0.90 Lacs as compare to 3.65 Lacs in previous Financial Year.

Your directors are working hard to reduce the cost and improve the financial performance of the Company in the years to come.

Manufacturing of Medical Device such as Pacemakers plays very crucial and important role in the growth structure of Pharmaceutical Industries, which is not material in monetary terms but a valuable life saving device. The R & D department of the Company is continuously working on the development of advanced new products as well as up-gradation of existing products. With the improved quality of pacemakers, the demand of the products manufactured by your Company is expected to grow with a faster pace which will lead to higher profitability in the years to come.

### 1.3 Change in nature of Business

During the year there was no change in business activity of the company.

### 1.4 Changes in Share Capital

During the Financial Year 2015-16 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2016 was Rs.359.94 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

### 1.5 Revision of annual financial statement

There was no case of revision in financial statement during the year.

### 2. Transfer To Reserves

During the year the Company has not transferred any amount to the General Reserve.

### 3. Dividend

Your directors do not recommend any dividend due to losses in current financial year.

**4. Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**5. Material changes and commitments after the end of Financial Year**

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company and date of the report.

**6. Subsidiary, Associate Companies or Joint Venture:**

The Company has one subsidiary Shree Coratomic Limited. The turnover of the Subsidiary Company Shree Coratomic Limited is Rs. 34.20 lacs as against Rs 51.68 lacs in the previous year. The Company has incurred losses of Rs. 11.07 lacs as against Rs. 3.38 lacs in the previous year. A statement pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report. The consolidated financial statement form part of this annual report.

Policy for determining material subsidiaries of the Company is available on the website of the Company [www.pacetrnix.com](http://www.pacetrnix.com)

The Company does not have any associate company or any joint venture or Holding company.

**7. Consolidated Financial Statements**

The directors also presented the audited consolidated financial statements as prepared in compliance with the Companies Act, 2013 and applicable Accounting Standards. The Financial Statements of subsidiary Company has been prepared in the same form and manner as that of the Company.

**8. Extract of Annual Return**

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2016 forms part of this report as **Annexure I**.

**9. Number of Meetings of the Board**

During the year under review the Board meets four times viz. **May 30, 2015; August 10, 2015; October 30, 2015 and February 13, 2016**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.

**10. Directors' Responsibility Statement**

**In terms of Section 134(3) (c) of the Companies Act, 2013, your Directors state that:**

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper 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 for the year ended on that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors has devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**11. Reporting of fraud by Statutory Auditors**

There was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

**12. Appointment and Declaration by independent directors****12.1 Declaration by independent directors**

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing obligation & Disclosure Requirement) regulation 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013, rules made thereunder as well as concerning provisions of SEBI (Listing obligation & Disclosure Requirement) regulation 2015.

### 12.2 Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 31, 2016, interalia, to:

- review the performance of Non-Independent Directors and Board of Directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors
- assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the said Meeting.

### 12.3 Familiarization Programme

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company

The details of familiarization programme have been posted on the website of the Company-<http://www.pacetrnix.com>

## 13. Nomination & Remuneration Committee and Stakeholders Relationship Committee

As per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 and 20 SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015 the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the report of Corporate Governance.

## 14. Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has approved and adopted a Nomination and Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their remuneration. The Nomination and Remuneration Policy of the Company forms part of this report as **Annexure II**.

## 15. Auditors

### 15.1 Statutory Auditor

The Members of the Company at the 26th Annual General Meeting held on 29th September, 2014 had appointed M/s S. R. Naredi & Co, Chartered Accountants (ICAI Firm Registration No. 002818C), Indore as Statutory Auditor of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2017 subject to ratification of the appointment by the Members at every Annual General Meeting of the Company.

M/s S. R. Naredi & Co, Chartered Accountants, vide their letter dated 2nd August, 2016 have tendered their resignation from the position of Statutory Auditors due to their pre-occupation which was resulted into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139(8) under Companies Act, 2013, appointed M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore, as the Statutory Auditors of the Company to fill the casual vacancy for the financial year 2016-2017 caused by the resignation of M/s S. R. Naredi & Co, Chartered Accountants, subject to the approval by the members in the 28th Annual General Meeting of the Company.

Further the Board has recommended the appointment of M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No. 013306), Indore as Statutory Auditors of the Company to hold office for five years, from the conclusion of the 28th Annual General Meeting, till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2021 to conduct the statutory audit for the financial year 2016-2017 to 2020-2021 (subject to ratification of the appointment by the Members at every Annual General Meeting).

**Explanation to Auditor's Remark**

The Board has duly reviewed the Auditors Report on the financial statement of Company for financial year ending on 31.03.2016. The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

**15.2 Secretarial Auditor**

The Board had appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as **Annexure III** to this Report.

In reply to the qualification made by the Secretarial Auditor, the Board of Directors stated-

- a) That they have not found any suitable candidate for the post of the Company Secretary, however the Board of Director is looking for a suitable candidate for the position of Company Secretary as Key Managerial Personnel and willing to appoint the same in compliance of provision of section 203 of Companies act, 2013; and
- b) The particulars of creation of charge with respect to two term loan secured by hypothecation of vehicle were not filed due to inadvertence as the Bank in normal course is arranging to file such forms but it is not nature to prejudice the position of creditors.

However other comments are self explanatory and do not call for any further explanation.

The Board in its meeting held on 10.08.2016 has appointed Ms. Shraddha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2016-17.

**15.3 Cost Record and Cost Audit**

Your company does not falls within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

**16. Particulars of loans, guarantees or investments**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

**17. Particulars of contracts or arrangements with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, information in Form AOC-2, is not annexed

All Related Party Transactions are placed before the Audit Committee or board for consideration or approval.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.pacetronix.com](http://www.pacetronix.com)

Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

**18. Conservation of Energy, technology absorption, foreign exchange earnings and outgo**

The particulars in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under sub-section (3) (m) of section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under :

**A. Conservation of Energy :****i. The steps taken or impact on conservation of energy**

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
- Monitoring the maximum demand and power load factor on daily basis.
- Replacement of inefficient motors with energy efficient motors.

- ii. **The steps taken by the Company for utilizing alternate sources of energy:** No alternate sources of energy used in 2015-16

iii. **Capital Investment on Energy Conservation Equipments:** NIL

**B. Technology Absorption**

i. **The efforts made towards technology absorption**

Research & Development activities are being carried out as part of the Company's normal business activities. The Company is regular in adding new equipments for testing.

ii. The benefits derived like increase in productivity and cost reduction.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – NIL

iv. **Expenditure on R&D**– During the year the Company has made no investment towards Research and Development.

**C. Foreign exchange earnings and Outgo-**

Particulars	(Rs. in Lacs)	
	31.03.2016	31.03.2015
1. Foreign Exchange earned:		
- Value of Exports	50.55	64.26
- Technology fee received	-	18.81
2. Foreign Exchange outgo:		
- CIF Value of import of Raw Materials	124.31	155.51
- Foreign Travels	0.91	5.01
- Technical services fees	1.13	2.50

**19. Corporate Social Responsibility**

Your company does not meet the requirements of Section 135 of Companies Act, 2013 for establishing Corporate Social responsibility (CSR) committee; therefore no such committee was established by the Board.

**20. Performance Evaluation of the Board**

Pursuant to the provisions of section 134 of Companies Act 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

Review of performance of non independent directors and the board as a whole is done by independent director in their meeting. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation process for the Board, its Committees and Director including the Independent Directors

The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board level Committees are given in detail in the report on Corporate Governance, which forms part of this Annual Report.

**21. Directors and Key Managerial Personnel**

In terms of section 196, 197, 203 read with schedule V and other applicable provisions, if any of the Companies Act, 2013, Mr. Atul Kumar Sethi (Din-00245685), Managing Director of the Company was re-appointed (Subject to the approval of Members in general meeting) for further period of 3 years commencing from 1st December, 2016 to 30th November, 2019.

In terms of section 196, 197, 203 read with schedule V and other applicable provisions, if any of the Companies Act, 2013, Mrs. Amita Sethi (Din- 00245722), Whole time Director of the Company was re-appointed (Subject to the approval of Members in general meeting) for further period of 3 years commencing from 1st December, 2016 to 30th November 2019.

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors are not included in the total number of directors of the Company. Accordingly, Mrs. Amita Sethi (Din- 00245722) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment as a Director of the Company.

Mr. Swapnil Modi was appointed as Chief Financial officer of the company w.e.f 10th August, 2015. Mr. Swapnil Modi has resigned from the post Chief Finance officer of the company w.e.f. 21st May 2016.

Mr. Ashok Atulkar has been appointed as Chief Financial officer of the company w.e.f 30th May, 2016.

Company is looking for a suitable candidate for the position of Company Secretary as Key Managerial Personnel.



**Disqualifications of Directors**

During the year declarations received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. The Board appraised the same and found that none of the directors is disqualified for holding office as director.

**22. Code Of Conduct**

Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website [www.pacetronix.com](http://www.pacetronix.com).

All Directors and Senior Management personnel have affirmed compliance with the Code for financial year 2015-16. A declaration to this effect signed by the Managing Director is given in this Annual Report.

**23. Significant and material orders passed by the regulators or courts**

There are no significant or material orders passed by the Regulators / Courts which would impact the future operations / going concern status of the Company.

**24. Internal Financial Controls and its adequacy**

The Company has comprehensive internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement.

The internal and operational audit is entrusted to M/s M.J. Lunkad & Co., Chartered Accountants, Indore. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

**25. BUSINESS RISK MANAGEMENT:**

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action. At present the company has not identified any element of risk which may threaten the existence of the company.

**26. AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Sushil Patni, Chairman, Mr. Praveen Badjatya and Mr. Anil Rathi as members. All the recommendations made by the Audit Committee were accepted by the Board. The details of meetings of Audit Committee held during the year, its composition, terms of reference are given in the Report on Corporate Governance.

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

Your Company has established a Vigil Mechanism/Whistle Blower Policy to enable Directors and employees of the Company to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors/ employees and direct access to the Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism/Whistle Blower Policy is available at website of Company at [www.pacetronix.com](http://www.pacetronix.com) and circulated to all the Directors and employees.

**28. DISCLOSURE OF RATIO OF REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, ETC.**

The prescribed particulars of employees required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is enclosed in **Annexure IV** and forms the part of this Board's Report.

**29. PARTICULARS OF EMPLOYEES ETC.**

During the year, there was no employee drawing remuneration in excess of Rs. 1,02,00,000/- P.A. or Rs. 8,50,000/- P.M. Accordingly, information required to be given pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended is enclosed as **Annexure V** and forms the part of this Boards' Report.

**30. VOTING RIGHTS OF EMPLOYEES:**

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of Companies Act, 2013. Therefore the company not required to made disclosure as per rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014.

**31. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS**

The Company does not have issued shares under employee's stock options scheme pursuant to provisions of Section 62, read with Rule 12(9) of Companies (Share Capital and Debenture Rules) 2014.

**32. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture Rules, 2014) during the Financial Year.

**33. CORPORATE GOVERNANCE REPORT**

A separate report on Corporate Governance as per schedule V {C} of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 is included as a part of the Board's Report in **Annexure-VI**. Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

**34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis statement in pursuance of requirement of Para B of Schedule V (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached to this Report as **Annexure VII**.

**35. LISTING AT STOCK EXCHANGE**

The equity shares of the Company are listed at BSE Limited and Madhya Pradesh Stock Exchange Limited. However Madhya Pradesh Stock Exchange Limited (MPSE) was de- recognized by SEBI vide its exit order no. PR No. 154/2015 dated June 9, 2015.

At present the Equity shares of the company are listed with the BSE Limited and the listing fee for the year 2016-17 has been duly paid.

**36. DEPOSITORY SYSTEM**

Your Company's shares are tradable in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

**37. INDUSTRIAL RELATIONS**

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the hard work, loyalty, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plant and facilities to maintain high awareness levels. The Company as a policy re-evaluates safety standards and practices from time to time in order to raise the bar of safety for its people as well as users and customers.

**38. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

It may be noted that during the year 2015-16, no grievance / complaint from any women employee was reported.

**39. ACKNOWLEDGEMENTS**

Your Directors place on record their gratitude to all the Government and semi government departments and Company's Bankers, for the assistance and co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Customer, Vendors, Employees and all other stakeholders in ensuring an excellent all around operational performance.

By order of the Board of Directors of  
**Shree Pacetronix Limited**

PLACE: Pithampur

DATE: 29.08.2016

**Registered office**  
Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

**Atul Kumar Sethi**  
Managing Director  
(DIN - 00245685)

**Amita Sethi**  
Whole time Director  
(DIN - 00245722)

## Annexure I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016  
Pursuant to Section 92 (3) of the Companies Act, 2013 and  
rule 12(1) of the Companies (Management & Administration) Rules, 2014

## I REGISTRATION &amp; OTHER DETAILS:-

1	CIN	L33112MP1988PLC004317
2	Registration Date	11.01.1988
3	Name of the Company	Shree Pacetronix Limited
4	Category/Sub-category of the Company	Public Company / Limited by shares
5	Address of the Registered office & contact details	Plot No 15, Sector-Ii, Industrial Area, Pithampur Dist.Dhar (M.P.) 454775
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010, Phone- 0731-2551745-46, Fax- 0731-4065798, E Mail ID: mail@ankitonline.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of medical and surgical equipment and orthopedic appliances	3311	100%

## III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Shree Coratomic Ltd.	U33112MP1995PLC008917	Subsidiary Company	99.91%	2(87) (ii)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- 04-2015]				No. of Shares held at the end of the year [As on 31-03-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	845038	0	845038	23.48	845038	0	845038	23.48	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>0.00</b>
<b>2 Foreign</b>									
a) NRIs -									
Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- 04-2015]				No. of Shares held at the end of the year [As on 31-03-2016]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1 Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2 Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	538648	200	538848	14.97	536543	200	536743	14.91	-0.06
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	362099	593381	955480	26.55	368724	588681	957405	26.60	0.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	507669	55970	563639	15.66	507849	55970	563819	15.66	0.00
c) Others (specify)									
NRI	10020	686375	696395	19.35	10020	686375	696395	19.35	0.00
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1418436</b>	<b>1335926</b>	<b>2754362</b>	<b>76.52</b>	<b>1423136</b>	<b>1331226</b>	<b>2754362</b>	<b>76.52</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1418436</b>	<b>1335926</b>	<b>2754362</b>	<b>76.52</b>	<b>1423136</b>	<b>1331226</b>	<b>2754362</b>	<b>76.52</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2263474</b>	<b>1335926</b>	<b>3599400</b>	<b>100</b>	<b>2268174</b>	<b>1331226</b>	<b>3599400</b>	<b>100</b>	<b>0.00</b>

## B) Shareholding of Promoter &amp; Promoters' Group-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Atul Kumar Sethi	705406	19.60	-	705406	19.60	-	0.00
2	Amita Sethi	102605	2.85	-	102605	2.85	-	0.00
3	Ashish Sethi	37027	1.03	-	37027	1.03	-	0.00
	<b>Total</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>0.00</b>

## C) Change in Promoters' Shareholding (please specify, if there is no change) NIL.

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)		Shareholding at the end of the year (As on 31-03-2016)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Atul Kumar Sethi				
	At the beginning of the year	705406	19.60	-	-
	Change during the year	-	-	-	-
	At the end of the Year	-	-	705406	19.60
2	Amita Sethi				
	At the beginning of the year	102605	2.85	-	-
	Change during the year	-	-	-	-
	At the end of the Year	-	-	102605	2.85
3	Ashish Sethi				
	At the beginning of the year	37027	1.03	-	-
	Change during the year	-	-	-	-
	At the end of the Year	-	-	37027	1.03

## D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	Mathew Samuel Kalarickal	326639	9.07	-	NIL	-	326639	9.07
2	Biopace Technology USA	295432	8.21	-	NIL	-	295432	8.21
3	Thomas B. Pinto	177300	4.93	-	NIL	-	177300	4.93
4	Virgo Impex LLP	175000	4.86	-	NIL	-	175000	4.86
5	Epcot Lifestyles Private Limited	159327	4.43	-	NIL	-	159327	4.43
6	Kalpita Agencies Private Limited	150000	4.17	-	NIL	-	150000	4.17
7	Manmohini Kaur	105558	2.93	-	NIL	-	105558	2.93
8	S.K. Sekaran	99385	2.76	-	NIL	-	99385	2.76
9	Ajit Modi	86400	2.40	-	NIL	-	86400	2.40
10	Anil Hebbar K	65237	1.81	-	NIL	-	65237	1.81

## E) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15/ end of the year (31-03-16))	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
<b>A. DIRECTORS</b>								
1.	Atul Kumar Sethi - Managing Director	705406	19.60	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	705406	19.60
2.	Amita Sethi- Whole Time Director	102605	2.85	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	102605	2.85
3.	Vikas Gokhale Whole Time Director	0	0	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	0	0
4.	Sushil Kumar Patni- Independent Director	0	0	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	0	0
5.	Pravin Kumar Badjatya- Independent Director	0	0	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	0	0
6.	Anil Rathi- Independent Director	0	0	1-Apr-15	NIL	-	-	-
		-	-	31-Mar-16	NIL	-	0	0

## B. KEY MANAGERIAL PERSONNEL

1	Swapnil, MODI -CFO	0	0	1-Apr-2015	NIL	-	-	-
				31-Mar-2016	NIL	-	0	0

## V) INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment.

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>					
i)	Principal Amount	2,34,85,401	36,64,426	-	2,71,49,827
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	2,34,85,401	36,64,426	-	2,71,49,827
<b>Change in Indebtedness during the financial year</b>					
	* Addition	7,26,60,242	-	-	7,26,60,242
	* Reduction	7,72,67,319	34,14,426	-	8,06,81,745
	<b>Net Change (The amount of Secured loan was increase and decreased with in the overdraft limits)</b>	(46,07,077)	(34,14,426)	-	(80,21,503)
<b>Indebtedness at the end of the financial year (31.03.2016)</b>					
i)	Principal Amount	1,88,78,324	2,50,000	-	1,91,28,324
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	1,88,78,324	2,50,000	-	1,91,28,324

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Atul Kumar Sethi	Mr. Amita Sethi	Mr. Vikas Gokhale	
1	Gross salary	19,20,000	4,80,000	8,86,800	32,86,800
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,10,400	1,77,600	88,704	9,76,704
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	26,30,400	6,57,600	9,75,504	42,63,504
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013			

## B Remuneration to other directors (In Rs.)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr.Sushil Kumar Patni	Mr. Pravin Kumar Badjatya	Mr. Anil Rathi	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

## C Remuneration to Key Managerial Personnel Other than MD/Manager/MTD (In Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Hari Mohan Jha, (CFO) (01.04.2015-14.07.2015)	Mr. Swapnil Modi, (CFO) (10.08.2015-31.03.2016)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79,200	66,000	1,45,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,20,704	50,577	2,71,281
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	2,99,904	1,16,577	4,16,481

**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

There were no Penalties/Punishment/Compounding of Offences

VI. for the year ended 31st March 2016.

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

By order of the Board of Directors of  
**Shree Pacetronix Limited**

**PLACE:** Pithampur

**DATE:** 29.08.2016

**Registered office**  
Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

**Atul Kumar Sethi**  
Managing Director  
(DIN - 00245685)

**Amita Sethi**  
Whole time Director  
(DIN - 00245722)



## ANNEXURE – II

## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**OBJECTIVES OF THE COMMITTEE:**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**DEFINITIONS:**

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means ‘Shree Pacetronix Limited’.
- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
  - o Managing Director, Whole-Time Director, Chief Executive Officer, Manager;
  - o Company Secretary; and
  - o Chief Financial Officer
- **“Independent Director”**:- As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:-
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. who, apart from receiving director’s remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself, nor whose relative(s) —
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

- a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. holds together with his relatives two per cent or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - v. is a material supplier, service provider or customer or a lessor or lessee of the company;
  - f. who is less than 21 years of age.
- **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**APPLICABILITY:-**

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

**CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

**GENERAL APPOINTMENT CRITERIA:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, Independent Director KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment for the time being in force.

**ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:**

The Nomination and Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors so as to enable the Board to discharge its function and duties effectively. Independent Director shall meet all criteria specified under the provisions of the Companies Act, 2013 and rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions'.

**TERM/TENURE:**

The Term / Tenure of the Directors shall be governed as per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and rules made there under as amended from time to time.

**POLICY ON BOARD DIVERSITY:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc. or as may be considered appropriate.

**REMUNERATION CRITERIA FOR NON-EXECUTIVE DIRECTORS**

The Company doesn't pay any remuneration and/or Commission to the Non-Executive Directors.

The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof.

The Company does not provides any ESOP, etc to its directors

**REMUNERATION CRITERIA FOR THE EXECUTIVE DIRECTORS AND KMP:**

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration Policy of the Company for Director & Key managerial personnel is primarily based on the following criteria:

- Overall Performance of the Company, its divisions and units
- Track record, potential and performance capacity and capability of individual.

The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.

The remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the company and to provide quality required to run the company successfully. The relationship of remuneration and performance should be clear and meet appropriate performance benchmarks.

The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof. The Company do not provides any ESOP, etc to its directors

**CRITERIA FOR EVALUATION OF PERFORMANCE OF INDEPENDENT DIRECTORS AND THE BOARD OF DIRECTORS;****For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to protect positive image of the Company, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

**For Non-Executive Directors (including Independent Directors) :**

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance and contribution of Directors at Board and Committee meetings, study of agenda and active participation, discharge of other function and responsibilities prescribed under law, Monitoring the effectiveness of corporate governance practice, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

**For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, No. of meetings held, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

**REMOVAL:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable law, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**AMENDMENT**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

**PLACE:** Pithampur

**DATE:** 29.08.2016

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Registered office**

Plot No. 15, Sector No. II

Industrial Area

Pithampur, 454775

**Atul Kumar Sethi**

Managing Director

(DIN - 00245685)

**Amita Sethi**

Whole time Director

(DIN - 00245722)

## ANNEXURE – III

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[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,  
SHREE PACETRONIX LIMITED,  
Plot No. 15, Sector II, Industrial Area,  
Pithampur Distt.-Dhar MP

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shree Pacetronix Limited** (hereinafter called the company). 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.

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 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shree Pacetronix Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder; ;(in so far as they are made applicable)
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; which is not applicable to the Company
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, in so far as they are made applicable from time to time;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; which is not applicable to the Company
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; which is not applicable to the Company
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and which is not applicable to the Company during the Audit Period and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; which is not applicable to the Company during the Audit Period and

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, which made applicable from 1<sup>st</sup> July 2015.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing obligation and disclosure Requirement) Regulations 2015; (in so far as they are made applicable from time to time)

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

1. *The Company has not appointed the Company Secretary as one of the Key Managerial Personnel under Section 203 of the Companies Act 2013.*
2. *The Company has not filled Form CHG-1 for Creation of Charge with respect to two term loan secured by hypothecation of vehicle.*

**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 Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all the directors to schedule the Board meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee(s) Meetings are carried through unanimously as recorded in the meetings of the Board and committee(s) if the Board, as the case may be.

**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.

**Place:** Indore

**Date:** 29.08.2016

**SHRADDHA JAIN**  
**PRACTICING COMPANY SECRETARY**  
**ACS 39488/ CP 14717**

**Annexure – IV****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED FROM TIME TO TIME-**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 are as under:

S. N.	Name of Director/KMP	Designation	Remuneration of Director/KMP for financial year 2015-16 (In Rs.)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	26,30,400	0.00%	20.03
2.	Mrs. Amita Sethi	Whole Time Director	6,57,600	0.00%	5.00
3.	Mr. Vikas Gokhale	Whole Time Director	9,75,504	0.24%	7.43
4.	Mr. Pravin Kumar Badjatya	Independent Director	—	—	—
5.	Mr. Sushil Kumar Patni	Independent Director	—	—	—
6.	Mr. Anil Rathi	Independent Director	—	—	—
7.	Mr. Swapnil Modi	CFO	1,16,577	—	NA

**Note**

None of the Independent Directors of the Company received any remuneration during the financial year 2015-16.

- (ii) The percentage increase in the median remuneration of employees in the financial year - **7.98%**
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2016 - **46.**
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 7.68% whereas the increase in the managerial remuneration for the same financial year was 0.24%. There are no exceptional circumstances for increase in the managerial remuneration.
- (v) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**PLACE:** Pithampur

**DATE:** 29.08.2016

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Registered office**

Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

**Atul Kumar Sethi**  
Managing Director  
(DIN - 00245685)

**Amita Sethi**  
Whole time Director  
(DIN - 00245722)

**Annexure – V**

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5 (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED FROM TIME TO TIME FOR THE YEAR ENDED 31ST MARCH, 2016.**

S. No.	Name	Designation	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Age
1	Mr. Atul Kumar Sethi	Managing Director	2630400	MBA (Marketing), 20 years of experience	11.01.1988	54 Years
2	Mr. Vikas Gokhale	Whole Time Director	975504	M tech, 15 years	30.01.2012	41 years
3	Mrs. Amita Sethi	Whole Time Director	657600	MA, 14 years of experience	01.12.2010	50 years
4	Mr. Mayur Dilip Bhusari	General Manager, production	625788	Graduate, 10 years	01.01.2006	42 years
5	Mr. Murtaza Faizee	Regional Sales Manager	442496	Graduate, 22 years	01.01.1994	42 years
6	Mr. Subhashish Basu	Regional Marketing Manager	424456	Graduate, 1 years	01.01.2015	50 years
7	Mr. Rupak Kumar Das	Regional Marketing Manager	396000	Graduate, 13 years	01.04.2003	55 years
8	Mr. Indranil Gupta	Regional Marketing Manager	396000	Graduate, 12 years	01.03.2004	48 years
9	Mr. Sumit Chakarbarti	Regional Marketing Manager	377496	Graduate, 19 years	01.12.1997	60 years
10	Ms. Pinaki Roy	Regional Marketing Manager	353700	Graduate, 7 years	01.05.2009	47 years
11	Mr. Rabin Chakraborty	Sales Manager	341600	Graduate, 13 years	01.06.2003	52 years
12	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker QC Manager	284303	Graduate, 17 years	01.07.1999	47 years
13	Mr. Pradip Tyagi	Assistant Quality control	284073	Graduate, 9 years	19.03.2007	31 years
14	Mr. Vijay Kumar Soni	Lead QC Manager	265375	Graduate, 20 years	01.09.1996	42 years
15	Mr. Kaushik Biswas	Sales Manager	212400	Graduate, 5 years	01.04.2011	41 years

- None of the employees within the meaning of clause (iii) of sub rule (2) of Rule-5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
- Mr. Atul Kumar Sethi and Mrs. Amita Sethi are spouse.
- All the above employees are permanent employees of the Company.

PLACE: Pithampur  
DATE: 29.08.2016

By order of the Board of Directors of  
**Shree Pacetronix Limited**

**Registered office**  
Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

**Atul Kumar Sethi**  
Managing Director  
(DIN - 00245685)

**Amita Sethi**  
Whole time Director  
(DIN - 00245722)

## Annexure – VI

## CORPORATE GOVERNANCE REPORT 2015-16

**(Forming part of the Board's Report of Shree Pacetronix Limited)**

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. Your Company is committed to good Corporate Governance, based on an effective independent Board, separation of supervisory role from the executive management and the constitution of Committees to oversee critical areas thus upholding the standards practically at every sphere ranging from action plan to performance measurement and consumer satisfaction. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity.

**1. Company's Philosophy on Code of Governance**

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. The Company is in compliance with the requirements stipulated under SEBI (Listing obligation and disclosure Requirement) Regulations 2015 with regard to Corporate Governance and also has taken certain steps to ensure transparency and accountability.

Your company shall continue to follow the same with a desire for further development on continuous basis. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders value and protecting the interest of all stakeholders.

**2. MD/ CFO Certification**

In accordance with Regulation 18(3) of SEBI (LODR) Regulations, 2015, Mr. Atul Kumar Sethi, Managing Director and Mr. Ashok Atulkar, CFO of the Company, have inter alia, certified and confirmed to the Board about the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee.

**3. Board of Directors****a) Composition**

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The Board has optimum combination of executive, non-executive and independent directors, to ensure the independent functioning of the Board. The present composition is one managing director, two directors in the whole time employment one of which is women director and three independent directors of the company.

**b) Board Procedure**

The Board meets at least once in a quarter to review the overall business operations to consider the business which are related to formulation and execution of policies relating to production, finance, marketing, personnel, materials and general administration. Notice and agenda papers are sent to the directors in advance. The maximum gap between any two Board meetings was not more than One Hundred and Twenty days. The Board met four times during the year under review and the dates on which the said meetings were held are as follows:

**May 30, 2015; August 10, 2015; October 30, 2015 and February 13, 2016**

**c) Composition and category of Directors, Directors Attendance and their other directorship and Committee position and Shareholding of Non Executive Directors as on March 31, 2016**

S. No.	Name of the Director	Category	Attendance at Board meeting	Attendance at AGM	No. of Directorship (Including this Company)	No. of Committee position (Including this Company)		Shareholding of Non-Executive Directors
						Chairman	Member	
1.	Mr. Atul Kumar Sethi	Managing Director, Promoter Director	4	Yes	3	NIL	1	NA
2.	Mrs. Amita Sethi	Whole time Director, Promoter Director	4	Yes	3	NIL	NIL	NA
3.	Mr. Vikas Gokhale	Whole time Director	4	Yes	1	NIL	NIL	NA
4.	Mr. Sushil Kumar Patni	Independent Non-Executive	4	Yes	2	3	NIL	NIL
5.	Mr. Anil Rathi	Independent Non-Executive	4	Yes	7	NIL	3	NIL
6.	Mr. Pravin Kumar Badjatya	Independent Non-Executive	4	Yes	1	NIL	2	NIL



d) **Inter-se relationship among directors**

Mrs. Amita Sethi and Mr. Atul Kumar Sethi are spouse.

e) **Independent Directors Meeting**

During the year under review, a separate meeting of Independent Directors was held on March 31, 2016, interalia, to:

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the management of the company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the said Meeting.

4. **Familiarization Programme**

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The details of familiarization programme have been posted on the website of the Company <http://www.pacetrnix.com>

5. **Code Of Conduct**

Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com).

All Directors and Senior Management personnel have affirmed compliance with the Code for financial year 2015-16. A declaration to this effect signed by the Managing Director is given in this Annual Report.

6. **Formal Letter of appointment to independent directors**

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015. The terms and conditions of appointment of independent directors are placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com)

7. **Performance Evaluation of the Board**

Pursuant to the provisions section 134 of Companies Act 2013 and Regulation 25(4)(a) of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board and that of the Managing Director, Whole Time Director and the Non Independent Directors, excluding the Director being evaluated.

The criteria for performance evaluation are as under:

**For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to protect positive image of the Company, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

**For Non-Executive Directors (including Independent Directors) :**

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance and contribution of Directors at Board and Committee meetings, study of agenda and active participation, discharge of other function and responsibilities prescribed under law, Monitoring the effectiveness of corporate governance practice, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

**For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, No. of meetings held, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

The Directors were satisfied with the evaluation results, which reflected overall engagement of the Board and its Committees with the company.

**8. Code of Conduct for prohibition of insider trading**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. During the year under review there has been due compliance with the said code.

The code ensures that the employees deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large. This code is applicable to every employee and director of the Company.

**9. Committees of the Board**

**The Board has three Committees, viz.**

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholder Relationship Committee;

The above said Committees consist of executive and non executive independent directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

**A. Audit Committee**

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, an Audit Committee is functioning consisting of only independent directors.

**Terms of reference**

Apart from all the matters provided in Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.

**Composition**

The Audit Committee comprised of three Directors, out of which all the Directors are Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Number of Meetings during the year 2015-16	
			Held	Attended
Shri Sushil Patni	Chairman	Independent, Non – Executive	4	4
Shri Praveen Badjatya	Member	Independent, Non –Executive.	4	4
Shri Anil Rathi	Member	Independent, Non –Executive.	4	4

**Meetings**

During the financial year ended 31<sup>st</sup> March, 2016, four Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

**May 30, 2015; August 10, 2015; October 30, 2015 and February 13, 2016.**

**B. Nomination and Remuneration Committee**

In line with the Companies Act, 2013/Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Nomination and Remuneration Committee was constituted.

### Terms of reference

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and section 178 of the Companies Act, 2013. The broad terms of reference includes recommending a policy relating to remuneration and employment terms of Managing Director, Whole-Time Director and senior management personnel, adherence to the Nomination and Remuneration policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or senior management.

### Composition

Your company has formed this committee to consider and approve the remuneration payable to the directors. The Nomination and Remuneration Committee comprised of three Directors, out of which all the Directors are Non Executive Independent Director. The composition of the Committee is given below:

Name	Designation	Category	Number of Meetings during the year 2015-16	
			Held	Attended
Shri Sushil Patni	Chairman	Independent, Non – Executive	2	2
Shri Praveen Badjatya	Member	Independent, Non –Executive.	2	2
Shri Anil Rathi	Member	Independent, Non –Executive.	2	2

### Meetings

During the financial year ended 31<sup>st</sup> March, 2016, two Committee Meetings were held and the dates on which the said meetings were held are as follows:

**August 10, 2015 and October 30, 2015.**

### Nomination and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed Nomination and Remuneration Policy, providing:

- criteria for determining qualifications, positive attributes and independence of directors;
- a policy on remuneration for directors, key managerial personnel and other employees;
- performance evaluation criteria for independent directors.

The Nomination and Remuneration Policy is attached as **Annexure II** to the report of Directors

### Details of Remuneration to Managing Director, Executive Director & Non- Executive Director:

#### Remuneration to Executive Directors

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration for the year ended March 31, 2016 to the Executive Directors and their proposed remuneration are as follows

Name of Directors	Salary (In Rs.)	Perquisites (In Rs.)	Commission	Stock option Details	Pension	Period of Contract
Mr. Atul Kumar Sethi (Managing Director)	19,20,000	7,10,400	NIL	NIL	NIL	3 years commencing from the 1st December, 2013
Mrs. Amita Sethi (Whole Time Director)	4,80,000	1,77,600	NIL	NIL	NIL	3 years commencing from the 1st December, 2013
Mr. Vikas Gokhale (Whole Time Director)	8,86,800	88,704	NIL	NIL	NIL	3 years commencing from 30th January, 2015

#### Remuneration to non-executive directors

The Company is not paying any remuneration to the Non-Executive /Independent Directors. Company is also not paying sitting fees for the attending the Board meetings.

The company is not having any pecuniary relationship or transactions with Non- Executive director.

**C. STAKEHOLDERS RELATIONSHIP COMMITTEE**

In line with the Companies Act, 2013 / Regulation 20 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Stakeholders Relationship Committee was constituted.

**Terms of reference**

With a view to review all matters connected with security transfers and transmission, redressal of shareholders/ investor complaints like non-transfer of shares, non-receipt of balance-sheet, non-receipt of dividend, etc., Stakeholders Relationship Committee has been constituted. This committee oversees the performance of the Registrar & Transfer Agents and also recommends measures for overall improvement of the quality of investor services.

**Composition**

The Stakeholders Relationship Committee comprised of three Directors, out of which majority of the Directors are Independent Directors. The composition of the Committee is given below:

Name	Designation	Category	Number of Meetings during the year 2015-16	
			Held	Attended
Shri Sushil Patni	Chairman	Non – Executive Independent Director	4	4
Shri Atul Kumar Sethi	Member	Managing Director	4	4
Shri Anil Rathi	Member	Non – Executive Independent Director	4	4

**Meetings**

During the financial year ended 31<sup>st</sup> March, 2016, four Stakeholders Relationship Committee meeting were held and the dates on which the Said meetings were held are as follows:

**May 30, 2015; August 10, 2015; October 30, 2015 and February 13, 2016.**

During the financial year 2015-16, Company has received 10 complaints from Shareholders which were resolved to the satisfaction of shareholders. One Complaint is still showing as pending at Scores which was already resolved by Company, however the same will be rectified by Company.

**Compliance Officer**

Mr. Swapnil Modi\* is the general compliance officer of the company except specifically provided otherwise for specific purposes.

\*Mr. Swapnil Modi has resigned from the post Chief Financial officer and general compliance officer of the company w.e.f. 21st May 2016 and Mr. Ashok Atulkar has been appointed as Chief Financial officer and general compliance officer of the company w.e.f 30<sup>th</sup> May, 2016.

**10. General Meetings**

Details of the General Meetings held during last three years:

AGM/EGM	Date	Venue	Time
AGM - 2013	30 <sup>th</sup> Sept. 2013	Reg. Off of the Company at Pithampur	10.30 am
AGM - 2014	29 <sup>th</sup> Sept. 2014	Reg. Off of the Company at Pithampur	10.00 am
AGM - 2015	30 <sup>th</sup> Sept. 2015	Reg. Off of the Company at Pithampur	10.00 am

Details of Special Businesses Transacted in last three years General Meetings are as under:

AGM/EGM	Date	Special Business Transacted
AGM	30 <sup>th</sup> Sept. 2013	<ul style="list-style-type: none"> <li>■ Re-appointment of Mr. Atul Kumar Sethi as a Managing Director of the Company under Section 269 read with section 309 and 310.</li> <li>■ Re-appointment of Mrs. Amita Sethi as a Whole Time Director of the Company under Section 269 read with section 309 and 310.</li> <li>■ Approval u/s 293(1)(a) of the Companies Act, 1956.</li> <li>■ Approval u/s 293(1) (d) of the Companies Act, 1956.</li> </ul>
AGM	29 <sup>th</sup> Sept. 2014	<ul style="list-style-type: none"> <li>■ Re-appointment of Mr. Vikas Gokhale, as Whole Time Director of the Company under section 196, 197, 203 of companies act 2013.</li> <li>■ Appointment of Mr. Anil Rathi as an Independent Director of the Company under Sections 149, 152 of companies act 2013.</li> <li>■ Appointment of Mr. Praveen Badjatya as an Independent Director of the Company under Sections 149, 152 of companies act 2013.</li> <li>■ Appointment of Mr. Sushil Kumar Patni as an Independent Director of the Company under Sections 149, 152 of companies act 2013.</li> <li>■ Increase in the borrowing powers of the Company under Sections 180(1)(c) of companies act 2013.</li> <li>■ Creation of charge on movable/immovable properties under Sections 180(1)(a) of companies act 2013</li> </ul>
AGM	30 <sup>th</sup> Sept. 2015	<ul style="list-style-type: none"> <li>■ No Special Business Transacted</li> </ul>

#### Postal Ballot:

For the year ended March 31, 2016 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

#### 11. Means of Communication

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the performa prescribed under Clause 41 of the Listing Agreement or Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the prescribed period.
- ii. The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board.
- iii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- iv. Quarterly results are displayed on the website of company- [www.pacetrnix.com](http://www.pacetrnix.com)

#### 12. Other Disclosures

##### i. Related Party Transactions

None of the transactions with any of the related parties was in conflict with the interest of the Company. Details of all transactions with related parties have been disclosed in the notes to the Accounts in the financial statements of the company forming part of the Annual report.

All related party transactions are negotiated on arms length basis and are intended to further the interest of the company.

##### ii. Compliance by the Company

There has not been any non-compliance by the company and no penalties or strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

iii. **Whistle Blower Policy /Vigil Mechanism:**

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any which is also available on the Company's website www.pacetronix.com. No personnel has been denied access to the Audit Committee to lodge their grievances.

iv. **Compliance with mandatory requirements**

The Company is in full compliance with the mandatory requirements as contained in Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has not adopted any of the non-mandatory requirements of clause 49 of the listing agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v. **Disclosure of Accounting Treatment**

The company is following the Accounting Standards as applicable to the company.

vi. **Policy for determining 'material subsidiaries'**

Company have a policy for determining 'material subsidiaries' which is available on the website of Company at www.pacetronix.com

vii. **Policy on dealing with related party transactions**

Company has a policy for determining 'material' subsidiaries which is available on the website of Company at www.pacetronix.com

13. **General Shareholder Information**

a) **AGM**

Date, Time & Venue of AGM - On Friday, 30th September, 2016 at 11:00 A.M at the registered office of the company at Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar MP 454775.

b) **Financial Calendar**

(Tentative)

Results for the quarter ending 30 <sup>th</sup> June, 2016	:	Second week of August 2016
Results for the quarter ending 30 <sup>th</sup> Sept, 2016	:	Last week of Oct. 2016
Results for the quarter ending 31 <sup>st</sup> Dec, 2016	:	Last week of Jan. 2016
Results for the quarter ending 31 <sup>st</sup> Mar, 2017	:	Last week of May 2017

c) **Book Closure**

Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive).

d) **Dividend**

Not declared for the financial year.

e) **Listing**

The equity shares of the Company are listed at BSE Limited and Madhya Pradesh Stock Exchange Limited. However Madhya Pradesh Stock Exchange Limited (MPSE) was de- recognized by SEBI vide its exit order no. PR No. 154/2015 dated June 9, 2015.

At present the Equity shares of the company are listed with the BSE Limited and the listing fee for the year 2016-17 has been duly paid.

f) **Stock Code/Details of Scrip**

The Company has Scrip Code: - BSE 527005, ISIN- INE847D01010 (both CDSL and NSDL)

g) **Market Price Data (Rs.)**

The monthly high and low quotations of shares of the Company traded at BSE Limited, Mumbai during the financial year 2015-16 are given below:

MONTH	HIGH(RS.)	LOW(RS.)
April, 2015	-	-
May, 2015	-	-
June, 2015	23.00	23.00
July, 2015	23.00	23.00
August, 2015	21.85	21.85
September, 2015	21.85	21.00
October, 2015	20.10	19.15
November, 2015	18.20	18.20
December, 2015	-	-
January, 2016	18.00	18.00
February, 2016	-	-
March, 2016	17.20	15.60

h) **Registrars and Share Transfer Agents****Ankit Consultancy Pvt. Ltd.**

60, Electronics Complex,  
Pardeshipura, Indore (M.P.) -452001  
Phone- 0731-2551745-46  
Fax- 0731-4065798  
E Mail ID: mail@ankitonline.com

i) **Share Transfer System**

During the year the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt. Demat requests are normally confirmed within an average period of 15 days from the date of receipt. The Company has appointed Ankit Consultancy Pvt. Ltd, Indore as Registrars and Share Transfer Agents (Electronic + Physical) for the same. The shareholders may address their communication, suggestions, grievances and queries to Ankit Consultancy Pvt. Ltd.

j) **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016**

SHARE HOLDING OF NOMINAL VALUE OF Rs.	NUMBER OF SHAREHOLDERS	%	SHARE AMOUNT IN RS.	%
1 — 1000	4,600	80.59	4499430	12.50
1001 — 2000	530	9.29	1046180	2.91
2001 — 3000	125	2.19	365950	1.02
3001 — 4000	70	1.23	271460	0.75
4001 — 5000	194	3.40	967160	2.69
5001 — 10000	94	1.65	736480	2.05
10001 — 20000	41	0.72	620380	1.72
20001 — 30000	12	0.21	289770	0.81
30001 — 40000	7	0.12	258400	0.72
40001 — 50000	7	0.12	308470	0.86
50001 — 100000	8	0.14	578120	1.61
100001— Above	20	0.35	26052200	72.38
<b>TOTAL</b>	<b>5708</b>	<b>100.00</b>	<b>35994000</b>	<b>100.00</b>

k) **SHAREHOLDING PATTERN AS ON 31ST MARCH, 2016**

S. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1.	Promoters & Promoter Group	845038	23.48
2.	Private Corporate Bodies	536743	14.91
3.	Indian Public	1521224	42.26
4.	NRIs/OCBs	696395	19.35
	<b>TOTAL</b>	<b>3599400</b>	<b>100.00</b>

l) **DEMATERIALIZATION OF SHARES**

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematted shares with NSDL	1733161	48.15
Total number of Dematted shares with CDSL	535013	14.86
Total number of Physical shares	1331226	36.98
<b>TOTAL NO. OF SHARES</b>	<b>3599400</b>	<b>100.00</b>

m) **Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity - NIL**n) **Plant locations of the company**

Plot No. 15, Sector II,  
Industrial Area, Pithampur,  
Dist. Dhar (M.P.) 454775  
Phone: 07292-411105,  
Fax: 07292-400418  
Email: pacetronix@hotmail.com

o) **Address for communication:**

The shareholders may address their communication, suggestions, grievances and queries to-

**Ankit Consultancy Pvt. Ltd.**

60, Electronics Complex,  
Pardeshipura, Indore (M.P.) -452001

Phone- 0731-2551745-46  
Fax- 0731-4065798

E Mail ID: [mail@ankitonline.com](mailto:mail@ankitonline.com)

**PLACE:** Pithampur

**DATE:** 29.08.2016

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Registered office**

Plot No. 15, Sector No. II

Industrial Area

Pithampur, 454775

**Atul Kumar Sethi**

Managing Director

(DIN - 00245685)

**Amita Sethi**

Whole time Director

(DIN - 00245722)

**DECLARATION****Declaration by the Managing Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct**

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management, for the financial year ended March 31, 2016.

**For SHREE PACETRONIX LIMITED**

**Atul Kumar Sethi**

Managing Director

(Din- 00245685)

**MD / CFO CERTIFICATION**

To,  
The Board of Directors,  
Shree Pacetronix Ltd.  
Pithampur

Dear Sirs,

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:

- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

We further certify, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

We have indicated to the auditors and the Audit committee that there is:

- 1) No significant change in internal control over financial reporting during the year;
- 2) No significant change in accounting policies during the year under review and, and
- 3) No instance of any fraud in the company in which the management has any role.

**For SHREE PACETRONIX LIMITED**

**Place:** Pithampur

**Date:** 29.08.2016

**ASHOK ATULKAR**  
Chief Financial officer

**ATUL KUMAR SETHI**  
Managing Director  
Din-00245685



## Annexure – VII

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY STRUCTURES AND DEVELOPMENTS:**

Global cardiac pacemaker market is witnessing rapid growth owing to the technological improvements and emergences of new market players. Some of the major factors driving the global pacemakers market are aging population, increase in the incidences of heart diseases, and technological advancements. The Company is engaged in manufacturing and marketing of different types of Pacemakers. There has been growing demand of the products manufactured by your Company.

**OPPORTUNITIES:**

With the growing awareness about the healthcare in the country, there are vast opportunities for the products of the Company. The Company is engaged in manufacturing of Life Saving Devices (Pacemaker). The technical leadership and unique features contained in your Company's products allow it to significantly differentiate the products from competitors.

**THREATS:**

Global economic trends, global competitors, uncertainties about the development of national healthcare system represents threats for the Company. Factors such as high cost and lack of experienced professionals are restraining growth of the global pacemakers market. Other factors of threat are:

- high cost and lack of experienced professionals
- Infection where the pacemaker was implanted.
- Allergic reaction to the dye or anesthesia used during the procedure.
- Swelling, bruising or bleeding at the generator site, especially if you are taking blood thinners.
- Damage to the blood vessels or nerves near the pacemakers.
- Collapsed lung.
- Puncture of your heart muscle, which can lead to bleeding into the lining (pericardium) of your heart and may require emergency medical care.
- Life threatening complications of pace maker implantation are rare.

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

The Company is engaged in pacemakers manufacturing only and there is no separate repeatable segments. Company has generated revenue of 739.66 Lakh during the financial year 2015-2016.

**OUTLOOK:**

The Cardiac pace maker market in India, which is driven by the development of new and innovative cardiac pace makers. A major factor that has contributed to such a stupendous growth of this market is advances in technologies. Owing to this advancement in technology, the cardiac health issues are diagnosed much frequently and thus better treatment can be provided to the patients. Technological advancements and growing awareness have boosted growth of the pace makers market.

**RISK AND CONCERNS:**

Risks associated with pacemaker system implant include, but are not limited to, infection at the surgical site and/or sensitivity to the device material, failure to the delivery therapy when it is needed or receiving extra therapy when it is not needed.

After receiving an implantable pacemaker system, you will have limitations with respect to magnetic and electromagnetic fields, electric or gas powered appliances and tools with which you are not allowed to be in contact.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions. The Company has comprehensive internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement.

**PLACE:** Pithampur

**DATE:** 29.08.2016

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Registered office**

Plot No. 15, Sector No. II

Industrial Area

Pithampur, 454775

**Atul Kumar Sethi**

Managing Director

(DIN - 00245685)

**Amita Sethi**

Whole time Director

(DIN - 00245722)

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

To,  
The Members,  
**SHREE PACETRONIX LIMITED**

We have examined the compliance of conditions of Corporate Governance by '**Shree Pacetronix Limited**' for the year ended 31st March, 2016 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015') for the period 1st December 2015 to 31st March 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

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

**For: S. R. Naredi & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 002818C**

**Place:** Indore  
**Dated:** 30th May, 2016

**(CA S. R. Naredi)**  
**Proprietor**  
**M.No. 72014**

## 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/associate companies/joint ventures****Part "A": Subsidiaries**

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Shree Coratomic Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Same as Holding Company
4.	Authorised Share capital	2,00,00,000
5.	Paid-up Share Capital	80,07,000
6.	Reserves & surplus	-1171719
7.	Total assets	8683581
8.	Total Liabilities	1848300
9.	Investments	NIL
10.	Turnover	3420232
11.	Profit before taxation	-1106669
12.	Provision for taxation- Deferred Tax	-341950
13.	Profit after taxation	-764719
14.	Proposed Dividend	NIL
15.	% of shareholding	99.91%

**Notes:**

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

	Name of associates/Joint Ventures	NIL	NIL	NIL
1.	Latest audited Balance Sheet Date			
2.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.			
	Amount of Investment in Associates/Joint Venture			
	Extend of Holding%			
3.	Description of how there is significant influence			
4.	Reason why the associate/joint venture is not consolidated			
5.	Net worth attributable to shareholding as per latest audited Balance Sheet			
6.	Profit/Loss for the year			
	i. Considered in Consolidation			
	ii. Not Considered in Consolidation			

PLACE: Pithampur

DATE: 29.08.2016

By order of the Board of Directors of

**Shree Pacetronix Limited****Registered office**Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775**Atul Kumar Sethi**  
Managing Director  
(DIN - 00245685)**Amita Sethi**  
Whole time Director  
(DIN - 00245722)

## INDEPENDENT AUDITORS' REPORT

### To The Members of Shree Pacetronix Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of Shree Pacetronix Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of profit and Loss and cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

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

2. 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow 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.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash Flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. 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 purposes of our audit.
  - b) 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 and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.

- d) 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 the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in 'Annexure B'; and
- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the financial impact of pending litigations on its financial position in its financial statements.
  - ii. The company has made provision, as required under the applicable law or accounting standards, for the material foreseeable losses, if any , and as required on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to investors education and protection fund by the company.

**For: S.R. Naredi & Co.**

Chartered Accountants  
Firm Registration No. 002818C

Place: INDORE  
Date : 30th May 2016

CA S.R. Naredi  
Proprietor  
Membership No. 72014

### Annexure A to Independent Auditors' Report

The Annexure to in paragraph 8 of the Independent Auditors' Report of even date to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2016. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year and no material discrepancies has been noticed.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the provisions of Clause (iii) [(a), (b), (c)] of the said Order are not applicable to the Company.
- iv. The company has not given any loans, made investments and given guarantees covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of Clause (iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public.
- vi. The Central government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act in respect of manufacturing activities of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, service tax, customs duty, excise duty, value added tax and other material statutory dues, as applicable, with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of income-tax, sales-tax, service-tax, customs duty, and excise duty which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues in respect of Income Tax have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute pending are given below:-

Sr. No.	Nature of Dues	Forum where Dispute pending	Amount (₹ in Lacs)	Period (Assessment Year)
1	IncomeIncome Tax	TribunaTribunal	₹ 1.35	2003-04
2	IncomeIncome Tax	TribunaTribunal	₹ 1.45	2004-05
- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans taken from banks or financial institutions during the year.
- ix. The Company did not raise any money by way of Public issue during the financial year. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 .

**For: S.R. Naredi & Co.**

Chartered Accountants  
Firm Registration No. 002818C

Place: INDORE  
Date : 30th May 2016

CA S.R. Naredi  
Proprietor  
Membership No. 72014

**Annexure B to Auditor's Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2016 . We report that :

We have audited the internal financial controls over financial reporting of Shree Pacetronix Limited ("the Company") as of 31 March 2016 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For: S.R. Naredi & Co.**

Chartered Accountants  
Firm Registration No. 002818C

Place: INDORE  
Date : 30th May 2016

CA S.R. Naredi  
Proprietor  
Membership No. 72014



## BALANCE SHEET AS AT MARCH 31ST, 2016

(In INR ₹)

Particulars	Note	As at March 31st , 2016	As at March 31st , 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	35,994,000	35,994,000
Reserves and surplus	3	18,001,630	18,091,639
<b>Non-current liabilities</b>			
Long-term borrowings	4	2,454,108	2,436,625
Other long term liabilities	5	250,000	250,000
Deferred tax liability (net)		-	104,420
<b>Current liabilities</b>			
Short-term borrowings	6	15,787,608	23,440,479
Trade payables	7	2,276,916	1,358,121
Other current liabilities	8	8,135,942	6,774,348
Short term provisions	9	3,099,723	2,125,108
<b>Total</b>		<b>85,999,927</b>	<b>90,574,740</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10.1	22,255,027	26,311,032
Intangible assets	10.2	1,713,509	2,569,590
Non-current Investments	11	8,000,000	8,000,000
Long-term loans and advances	12	1,396,318	976,938
Deferred tax assets (net)		321,040	-
<b>Current assets</b>			
Inventories	13	25,285,069	31,534,742
Trade receivables	14	15,973,451	11,454,522
Cash and bank balances	15	1,908,815	1,870,611
Short-term loans and advances	16	8,869,876	7,659,619
Other current assets	17	276,822	197,686
<b>Total</b>		<b>85,999,927</b>	<b>90,574,740</b>

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

(CA S. R. Naredi)  
Proprietor  
Membership Number: 072014

Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

## Statement of Profit and Loss Year Ended March 31st , 2016

(In INR ₹)

Particulars	Note	Year Ended March 31st , 2016	Year Ended March 31st , 2015
<b>REVENUE</b>			
Revenue from operations (net)	18	73,966,048	62,356,499
Other income	19	158,788	334,192
<b>Total revenue</b>		<b>74,124,836</b>	<b>62,690,691</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	24,865,514	24,639,035
Changes in inventories of finished goods and work-in-progress and stock-in-trade	21	776,435	(9,249,030)
Employee benefits expense	22	17,209,052	17,299,981
Finance costs	23	3,503,941	4,056,947
Depreciation and amortisation expense		6,862,918	6,768,672
Other expenses	24	20,279,918	20,057,783
<b>Total expenses</b>		<b>73,497,778</b>	<b>63,573,388</b>
<b>Profit/(Loss) before tax</b>		627,058	(882,697)
<b>Tax expense</b>			
Current tax		1,142,527	640,564
Deferred tax		(425,460)	(1,157,904)
<b>Profit/(Loss) for the year</b>		<b>(90,009)</b>	<b>(365,357)</b>
Earnings per equity share			
Basic & Diluted (in Rs.)		(0.03)	(0.10)

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

**(CA S. R. Naredi)**  
Proprietor  
Membership Number: 072014

Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

## CASH FLOW STATEMENT AS AT MARCH 31ST, 2016

(In INR ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	627058	-882697
Adjusted for:		
Depreciation and Amortisation Expense	6862918	6768672
Interest Income	105788	-103326
Interest paid	3503941	4056947
Profit on sale of fixed assets	-	-230866
	<u>10472647</u>	<u>10491427</u>
Operating Profit before Working Capital Changes	11099705	9608730
Adjusted for:		
Trade & other Receivables	-6340534	910180
Inventories	6249673	-5105822
Trade & Other Payables	2251504	-954064
	<u>2160643</u>	<u>-5149706</u>
Cash Generated from Operations	13260348	4459024
Taxes Paid	-26192	-820642
	<u>13234156</u>	<u>3638382</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	-	1165000
Purchase of Fixed Assets	-1950832	-6125939
Interest Income	-105788	103326
	<u>-2056620</u>	<u>-4857613</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	17483	1460035
Proceeds from Short Term Borrowings (Net)	-7652871	4480536
Interest Paid	-3503941	-4056947
	<u>-11139329</u>	<u>1883624</u>
NET CASH (USED IN) FINANCING ACTIVITIES		
Net Increase/Decrease (-) in Cash and Cash Equivalents	38207	664393
Opening Balance of Cash and Cash Equivalents	1870608	1206215
Closing Balance of Cash and Cash Equivalents	<u>1908815</u>	<u>1870608</u>

As per our report of even date

For **S. R. NAREDI & CO.**

Firm Registration Number: 002818C

Chartered Accountants

**(CA S. R. Naredi)**

Proprietor

Membership Number: 072014

Place : INDORE

DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Amita Sethi**

Whole time Director

DIN-00245722

**Ashok Atulkar**

Chief Financial Officer

**Notes to the financial statements as of and for the year ended March 31, 2016****1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b) Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes Income Taxes, useful life of fixed tangible assets and intangible assets. Accounting estimates can change from period to period. Actual results may differ from those estimated. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

**c) Revenue recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection on transfer of the significant risk and reward of ownership of the goods to the buyer and stated at net of discount, rebates, returns and VAT. Revenue from operation is generally recognized when service is performed/ rendered.

**d) Tangible and intangible assets**

Tangible and intangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

**e) Depreciation / amortization**

Depreciation on tangible assets is provided on the Written Down Value method over the useful lives of assets as prescribed in Schedule II to Companies Act, 2013. Depreciation for assets purchased / sold during a year is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

**f) Impairment of assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of net selling price or value in use. Management reviews the carrying cost of the assets at the end of each balance sheet date and is of the view that the recoverable value in the assets is more than the carrying amount and hence no provision for impairment of assets has been made.

**g) Foreign currency transaction**

Foreign currency transactions are initially accounted at the exchange rates prevailing on the date of the transactions. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of monetary items are recognized in the Statement of Profit and Loss.

**h) Borrowing cost**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the costs of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other interest and borrowing cost are charged to revenue.

**i) Inventories**

Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are "Weighted Average Method". Cost of Work in Progress and Finished Goods is determined on absorption costing method. Inventories are valued as follows:

i)	Raw Materials, Stores & Spares, Packing Materials, Consumables	:-	At Cost or net realizable value whichever is lower
ii)	Finished Goods	:-	At cost or net realizable value whichever is lower
iii)	Traded goods	:-	At cost or net realizable value whichever is lower
iv)	Stock in Process	:-	At cost including related overheads or net realizable value whichever is lower

**j) Retirement Benefits**

- i) Short-term employees contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits like gratuity is provided on actuarial valuation at the end of the year and charged to Profit and Loss account .Accordingly, Group Gratuity Scheme from Life Insurance Corporation under which gratuity liability of Rs 16.52 Lacs (Previous Year Rs 15.87 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs. 2.30 Lakhs during the Financial Year (Previous Year Rs 2.10 Lacs)

**k) Taxation**

Provision for current tax has been made on the basis of taxable income for the current year and in accordance with the provisions of Income Tax Act 1961. The deferred tax resulting from timing difference between the accounting and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of timing difference are recognized and carried forward to the extent there is virtual certainty that these would be realised in future.

**l) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement that can be reliably ascertained are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes, when no reliable estimate is made or when there is present or past obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

**m) Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive equity share.

**n) Investments**

Investments are classified either long term based on Management's intention at the time of purchase. Long Term Investment are stated at cost. Provision for diminution in the value of long-term investment is not made only if such a decline is temporary.

For and on behalf of the Board of Directors

**Atul Kumar Sethi**

Managing Director  
DIN-00245685

**Amita Sethi**

Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

**Notes to the financial statements as of and for the year ended March 31, 2016**

(In INR ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>2 Share capital</b>		
<b>Authorised</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000
	<b>35,994,000</b>	<b>35,994,000</b>

**(a) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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 preferential amounts, in proportion to their shareholding.

**(b) Reconciliation of number of shares**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	(In INR ₹)	No. of shares	(In INR ₹)
Balance as at the beginning of the year	3,599,400	35,994,000	3,599,400	35,994,000
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>35,994,000</b>	<b>3,599,400</b>	<b>35,994,000</b>

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	Percentage holding As at March 31, 2016	Percentage holding As at March 31, 2015
Mr. Atul Kumar Sethi 705406 (Previous year: 705406) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal 326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%

3 Reserves and surplus	March 31, 2016	March 31, 2015
	<b>Rupees</b>	<b>Rupees</b>
<b>Capital investment subsidy</b>		
Balance as per last Financial Statements	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000
<b>Securities Premium</b>		
Balance as per last Financial Statements	4,673,108	4,673,108
Balance as at the end of the year	4,673,108	4,673,108
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	11,918,531	12,624,572
Profit / (Loss) for the year	(90,009)	(365,357)
	11,828,522	12,259,215
Less : Adjustments relating to Fixed assets	-	340,684
Balance at the end of the year	11,828,522	11,918,531
	<b>18,001,630</b>	<b>18,091,639</b>
<b>4 Long-term Borrowings</b>		
<b>Term loan - Secured</b>		
HDFC Bank Ltd. (Car)	2,213,749	-
HDFC Bank Ltd. (Car)	240,359	-
Bajaj Finance Ltd.	-	1,629,884
ICICI Bank Ltd. Car Loan	-	668,853
Reliance Capital Ltd (Vehicle loan)	-	137,888
	<b>2,454,108</b>	<b>2,436,625</b>
<b>Nature of security :</b>		
<b>Secured loans</b>		
1 Term loans from Reliance Capital Ltd is secured by hypothecation of cars and vehicle.		
<b>Maturity profile of long term borrowings</b>		
<b>Secured loans</b>		
2016-17	-	1,540,195
2017-18	725,890	896,430
2018-19	718,052	-
2019-20	739,778	-
2020-21	270,388	-
	<b>2,454,108</b>	<b>2,436,625</b>

**Notes to the financial statements as of and for the year ended March 31, 2016**

(In INR ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>5 Other long-term liabilities</b>		
Deposit from customers	250,000	250,000
	<b>250,000</b>	<b>250,000</b>
<b>6 Short-term borrowings</b>		
<b>A. Unsecured Loan</b>		
Magma Fincorp Limited	-	2,017,876
Tata Capitals Ltd	-	1,396,550
<b>B. WORKING CAPITAL LOAN</b>		
Bank of india (Secured)	15,787,608	20,026,053
	<b>15,787,608</b>	<b>23,440,479</b>
<p>The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director, Mrs Amita Sethi.</p>		
<b>7 Trade payables</b>		
Micro, small and medium enterprises	1,319,780	1,036,457
Others	957,136	321,664
	<b>2,276,916</b>	<b>1,358,121</b>
<b>8 Other current liabilities</b>		
Current maturities of long term debts*	636,609	1,022,723
Advance from customers	1,152,817	2,431,867
Statutory dues (including provident fund and tax deducted at source)	1,128,889	766,082
Other payables	5,217,627	2,553,676
	<b>8,135,942</b>	<b>6,774,348</b>
<p><b>Nature of security:</b> * It includes vehicle loan from HDFC Bank Ltd, ICICI Bank Ltd. and Reliance Capital Ltd to be repayable within a period of year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings</p>		
<b>9 Short-term provisions</b>		
Provision for Employee benefits	2,096,223	2,125,108
Provision for income tax	1,003,500	-
	<b>3,099,723</b>	<b>2,125,108</b>

**10.1 Tangible assets**

(In INR ₹)

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	Up to March 31, 2015	For the Year	Deductions/ Adjustments	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	8,482,398	615,681	-	9,098,079	5,805,656	6,421,337
Plant & Machineries	48,666,492	1,257,194	-	49,923,686	34,462,783	3,544,717	-	38,007,500	11,916,186	14,203,709
Furniture & Fixture	3,419,108	9,000	-	3,428,108	3,165,722	39,578	-	3,205,300	222,808	253,386
Vehicles	7,513,326	624,400	-	8,137,726	2,707,900	1,659,058	-	4,366,958	3,770,768	4,805,426
Office Equipments	1,518,388	25,000	-	1,543,388	1,345,886	67,409	-	1,413,295	130,093	172,502
Computers	3,423,388	35,238	-	3,458,626	3,162,066	80,394	-	3,242,460	216,166	261,322
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
<b>Total</b>	<b>79,883,179</b>	<b>1,950,832</b>	<b>-</b>	<b>81,834,011</b>	<b>53,572,147</b>	<b>6,006,837</b>	<b>-</b>	<b>59,578,984</b>	<b>22,255,027</b>	<b>26,311,032</b>
<b>Previous year</b>	<b>77,981,904</b>	<b>6,125,939</b>	<b>-</b>	<b>79,883,179</b>	<b>50,457,056</b>	<b>6,405,621</b>	<b>-</b>	<b>53,572,147</b>	<b>26,311,032</b>	<b>27,524,848</b>

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	Up to March 31, 2015	For the Year	Deductions/ Adjustments	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Technology Purchase	8,084,914	-	-	8,084,914	5,896,696	808,491	-	6,705,187	1,379,727	2,188,218
Software	475,900	-	-	475,900	94,528	47,590	-	142,118	333,782	381,372
<b>Total</b>	<b>8,560,814</b>	<b>-</b>	<b>-</b>	<b>8,560,814</b>	<b>5,991,224</b>	<b>856,081</b>	<b>-</b>	<b>6,847,305</b>	<b>1,713,509</b>	<b>2,569,590</b>
<b>Previous year</b>	<b>8,560,814</b>	<b>-</b>	<b>-</b>	<b>8,560,814</b>	<b>5,135,143</b>	<b>856,081</b>	<b>-</b>	<b>5,991,224</b>	<b>2,569,590</b>	<b>3,425,671</b>

**Notes to the financial statements as of and for the year ended March 31, 2016** (in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>11 Non Current Investments</b> (Long Term Investment) In Equity Shares of Subsidiary Company 800000 fully paid up equity shares of ₹ 10/- each of Shree Coratomic Ltd.(Unquoted)	8,000,000 <b>8,000,000</b>	8,000,000 <b>8,000,000</b>
<b>12 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	1,396,318 <b>1,396,318</b>	976,938 <b>976,938</b>
<b>13 Inventories</b> Finished goods Stock-in-process Raw materials	8,284,950 9,165,550 7,834,569 <b>25,285,069</b>	8,561,336 9,665,599 13,307,807 <b>31,534,742</b>
<b>14 Trade receivables</b> <b>Unsecured, considered good</b> Outstanding for a period exceeding six months from the date they are due for payment Others	3,206,013 12,767,438 <b>15,973,451</b>	2,891,196 8,563,326 <b>11,454,522</b>
<b>15 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Fixed Deposits with banks	946,882 - 961,933 <b>1,908,815</b>	911,214 - 959,397 <b>1,870,611</b>
<b>16 Short-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Advance to vendors Advances recoverable in cash or kind Advance income tax Advance to employees	6,117,895 1,396,774 219,526 1,135,681 <b>8,869,876</b>	3,626,876 111,559 332,358 3,588,826 <b>7,659,619</b>
<b>17 Other current assets</b> (Unsecured, considered good unless stated otherwise) Accrued Interest on Fixed Deposit with Banks	276,822 <b>276,822</b>	197,686 <b>197,686</b>
<b>18 Revenue from operations</b> Sale of products Less: Vat on Purchase VAT PAID  Other Operating Income Technology Fees Received Others	77,104,303 335,039 2,803,216 <b>73,966,048</b> - - - <b>73,966,048</b>	62,772,426 89,255 2,470,569 <b>60,212,602</b> 1,881,122 262,775 <b>2,143,897</b> <b>62,356,499</b>
<b>19 Other income</b> Interest received Profit on sale of fixed assets Other Receipts	105,788 - 53,000 <b>158,788</b>	103,326 230,866 - <b>334,192</b>
<b>20 Cost of materials consumed</b> Inventory at the beginning of the year Add: Purchases Less: Inventory at the end of the year	13,307,807 19,392,276 7,834,569 <b>24,865,514</b>	17,451,015 20,495,827 13,307,807 <b>24,639,035</b>



**Notes to the financial statements as of and for the year ended March 31, 2016**

(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>21 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	8,561,336	5,026,633
Stock in process	9,665,599	3,951,272
	<u>18,226,935</u>	<u>8,977,905</u>
<b>Inventory at the end of the year (b)</b>		
Finished goods	8,284,950	8,561,336
Stock in process	9,165,550	9,665,599
	<u>17,450,500</u>	<u>18,226,935</u>
<b>Increase in inventories (a) - (b)</b>	<b>776,435</b>	<b>(9,249,030)</b>
<b>22 Employee benefits expense</b>		
Salaries and wages	15,623,788	15,878,162
Contribution to provident and other funds	1,409,531	1,300,476
Staff welfare expenses	175,733	121,343
	<u>17,209,052</u>	<u>17,299,981</u>
<b>23 Finance costs</b>		
Interest on term loan	267,566	746,381
Interest-others	3,110,390	3,158,812
Bank charges	125,985	151,754
	<u>3,503,941</u>	<u>4,056,947</u>
<b>24 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	17,218	169,725
Entry tax	353,353	364,424
Exchange difference (net)	181,279	37,533
Freight inward	910,046	452,234
Insurance	64,435	93,115
Job Work & Labour Charges	714,666	880,487
Laboratory Expenses	103,026	131,498
Power, fuel and water	1,175,555	1,040,247
Repairs to Others	141,166	67,574
Repairs to buildings	212,007	240,578
Repairs to plant and equipments	901,246	1,288,521
Fees for Technical Services	212,373	452,031
	<u>4,986,370</u>	<u>5,217,967</u>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	27,824	27,691
Packing materials	508,271	816,290
Commission	422,894	477,863
Conference Fees	3,867	400,000
Implantation Charges	1,801,920	1,816,012
Travelling expenses	4,419,252	3,052,622
Freight outward	360,905	318,266
Selling and business promotion expenses	3,837,500	3,623,753
	<u>11,382,433</u>	<u>10,532,497</u>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	166,000	121,500
Conveyance	143,027	87,616
Courier and postage charges	102,432	108,941
Legal and professional charges	1,228,052	762,282
Misc. expenses	862,441	557,739
Printing and stationery	99,596	162,238
Rates and taxes	210,799	216,550
Rent	323,200	1,345,500
Telephone and fax charges	228,025	229,335
Vehicle running & Maintenance Expenses	547,543	715,618
	<u>3,911,115</u>	<u>4,307,319</u>
<b>(a)+(b)+(c)</b>	<b>20,279,918</b>	<b>20,057,783</b>

**Notes to the financial statements as of and for the year ended March 31, 2016**

(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>25 Earnings per share</b>		
Profit after tax (a)	(90,009)	(365,357)
Weighted average number of equity shares outstanding (b)	3,599,400	3,599,400
Nominal value of an equity share	10	10
Earnings per share		
Basic [(a) / (b)]	(0.03)	(0.10)
Diluted [(a) / (b)]	(0.03)	(0.10)
<b>26 Contingent liabilities</b>		
The disputed demand of income tax	280,000	280,000
	<b>280,000</b>	<b>280,000</b>
<b>27 CIF value of imports</b>		
Raw materials	12,431,127	15,551,597
	<b>12,431,127</b>	<b>15,551,597</b>
<b>28 Expenditure in foreign currency</b>		
Foreign travel	91,010	501,050
Fees for Technical Services	113,099	249,559
	<b>204,109</b>	<b>750,609</b>
<b>29 Earnings in foreign currency</b>		
Export sales	5,055,472	6,426,484
Technology fees received	-	1,881,122
	<b>5,055,472</b>	<b>8,307,606</b>
<b>30 Payment to auditors</b>		
For statutory audit	90,000	90,000
For tax audit	15,000	15,000
For Other Services	61,000	16,500
	<b>166,000</b>	<b>121,500</b>
<b>31 Details of consumption and purchases</b>		
<b>(a) Details of raw materials consumed</b>	24,865,514	24,639,035
<b>(b) Value of imported and indigeneous materials consumed</b>		
Raw materials:		
Imported	18,886,282	21,624,194
Indigenous	5,979,232	3,014,841

**32 Segment reporting****A. Primary segment**

As the company's business activity falls within a single primary business segment i.e. "Life Saving Devices" hence there is no primary segments wise information to report as per Accounting Standard -17 "Segment Reporting".

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	68,910,576 (54,048,893)	5,055,472 (8,307,606)	73,966,048 (62,356,499)
ii) Carrying cost of segment assets	85,999,927 (90,574,740)	-	85,999,927 (90,574,740)
iii) Addition to Fixed Assets	1,950,832 (6,125,939)	-	1,950,832 (6,125,939)

\* Previous year's figures are shown under brackets.

**33 Related party disclosures**

As per accounting standard-18 'Related Party Disclosures' as prescribed under Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

**A. Subsidiary Company**

Shree Coratomic Ltd

**B. Key management personnel and relatives of such personnel**

(I) Key Management Personnel

Atul Kumar Sethi

Amita Sethi

Vikas Gokhale

Managing Director

Whole time Director

Whole time Director

- (II) Relatives of Key Management personnel and their enterprises where transactions have taken place  
Smt Heera Sethi  
Mrs. Yamini Gokhale

**C. Enterprises over which any person mentioned in 'B', is able to exercise significant influence.**

Details of transactions and closing balances	Year Ended March 31st, 2016	Year Ended March 31st, 2015
<b>Shree Coratomic Ltd</b>		
Sale of Goods	2,961,822	1,478,498
Closing Balance - Receivable	740,976	1,441,199
<b>Aul Kumar Sethi</b>		
Director Remuneration	2,630,400	2,630,400
Rent	-	1,020,000
Closing Balance - Payable	(1,669,070)	(3,009,826)
<b>Mrs. Amita Sethi</b>		
Director Remuneration	657,600	657,600
<b>Vikas Gokhale</b>		
Director Remuneration	975,504	973,128
Closing Balance - Payable	-	-
<b>Mrs. Hira Sethi</b>		
Rent	180,000	180,000
 Mrs. Yamini Gokhale		
Commission	153,090	241,080
Closing Balance - Payable	-	31,500

**34 Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Year Ended March 31st, 2016	Year Ended March 31st, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,319,780	1,036,457
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

The above information regarding micro and small enterprises has been determined on the basis of information available with the Company.

- 35** The company has given advance against salary and for incurring expenses on behalf of the company from time to time to the managing director Mr. Atul Kumar Sethi during the year. The year end balance was Rs. 30,09,826/-.

- 36** Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

(CA S. R. Naredi)  
Proprietor  
Membership Number: 072014

Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of Shree Pacetronix Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Shree Pacetronix Limited** ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company and its subsidiary company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

**For: S.R. Naredi & Co.**

Chartered Accountants  
Firm Registration No. 002818C

CA S.R. Naredi  
Proprietor  
Membership No. 72014

Place: INDORE  
Date : 30th May 2016

## Annexure A to Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Ltd. on the consolidated financial statements as of and for the year ended March 31, 2016. We report that:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Shree Pacetronix Limited ("the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 ICAI.

For: **S.R. Naredi & Co.**

Chartered Accountants  
Firm Registration No. 002818C

CA S.R. Naredi

Proprietor

Membership No. 72014

Place: INDORE  
Date : 30th May 2016

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2016

(In INR ₹)

Particulars	Note	As at March 31st , 2016	As at March 31st , 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	35,994,000	35,994,000
Reserves and surplus	3	16,830,920	17,684,979
Minority Interest		5,991	6,660
<b>Non-current liabilities</b>			
Long-term borrowings	4	2,454,108	2,436,625
Other long term liabilities	5	250,000	250,000
<b>Current liabilities</b>			
Short-term borrowings	6	16,590,181	24,315,616
Trade payables	7	2,276,916	1,358,121
Other current liabilities	8	8,440,693	6,816,888
Short term provisions	9	3,099,723	2,125,108
<b>Total</b>		<b>85,942,532</b>	<b>90,987,997</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10.1	22,300,104	26,363,235
Intangible assets	10.2	3,246,843	4,902,924
Deferred Tax Assets (Net)		820,040	52,630
Long-term loans and advances	11	2,096,300	1,797,937
<b>Current assets</b>			
Inventories	12	25,325,069	31,572,786
Trade receivables	13	18,049,562	13,371,583
Cash and bank balances	14	3,397,135	3,106,409
Short-term loans and advances	15	10,430,657	9,622,807
Other current assets	16	276,822	197,686
<b>Total</b>		<b>85,942,532</b>	<b>90,987,997</b>

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

(CA S. R. Naredi)  
Proprietor  
Membership Number: 072014

Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

(In INR ₹)

Particulars	Note	Year Ended March 31st , 2016	Year Ended March 31st , 2015
<b>REVENUE</b>			
Revenue from operations (net)	17	74,424,458	66,046,400
Other income	18	158,788	334,192
<b>Total revenue</b>		<b>74,583,246</b>	<b>66,380,592</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	24,865,514	24,639,035
Purchases		-	(940,568)
Changes in inventories of finished goods and work-in-progress and stock-in-trade	20	774,479	(6,455,895)
Employee benefits expense	21	17,411,336	17,486,913
Finance costs	22	3,697,026	4,227,846
Depreciation and amortisation expense		7,670,044	7,580,954
Other expenses	23	20,644,458	21,063,157
<b>Total expenses</b>		<b>75,062,857</b>	<b>67,601,442</b>
<b>Profit (Loss) before tax</b>		(479,611)	(1,220,850)
<b>Tax expense</b>			
Current tax		1,142,527	643,874
Deferred tax		(767,410)	(1,262,394)
<b>Profit/(Loss) for the year</b>		<b>(854,728)</b>	<b>(602,330)</b>
<b>Minority Interest</b>		<b>669.00</b>	<b>207.00</b>
<b>Profit/after adjustment of minority Interest</b>		<b>(854,059)</b>	<b>(602,537)</b>
Earnings per equity share			
Basic & Diluted (in Rs.)		(0.24)	(0.17)

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

(CA S. R. Naredi)  
Proprietor  
Membership Number: 072014  
Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2016**

(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	-479611	-1220850
Adjusted for:		
Depreciation and Amortisation Expense	7670044	7580954
Interest Income	-105788	-103326
Interest paid	3697026	4227846
Profit on sale of fixed assets	-	-230866
	11261282	11474608
Operating Profit before Working Capital Changes	10781671	10253758
Adjusted for:		
Trade & other Receivables	-5976160	-374774
Inventories	6247717	-2312687
Trade & Other Payables	2513712	-2033741
	2785269	-4721202
Cash Generated from Operations	13566940	5532556
Taxes Paid	-26192	-854009
<b>NET CASH FROM OPERATING ACTIVITIES</b>	13540748	4678547
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	-	1165000
Purchase of Fixed Assets	-1950832	-6147389
Interest Income	105788	103326
<b>NET CASH FROM INVESTING ACTIVITIES</b>	-1845044	-4879063
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	17483	1460035
Proceeds from Short Term Borrowings (Net)	-7725435	4731066
Interest Paid	-3697026	-4227846
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	-11404978	1963255
Net Increase / Decrease (-) in Cash and Cash Equivalents	290726	1762739
Opening Balance of Cash and Cash Equivalents	3106409	1343670
Closing Balance of Cash and Cash Equivalents	3397135	3106409

As per our report of even date

For **S. R. NAREDI & CO.**  
Firm Registration Number: 002818C  
Chartered Accountants

**(CA S. R. Naredi)**  
Proprietor  
Membership Number: 072014  
Place : INDORE  
DATE : May 30, 2016

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

**Notes to the Consolidated financial statements as of and for the year ended March 31, 2016**

## 1. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

a) **Principle of consolidation :**

- I. The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The consolidated financial statements comprise the financial statements of the parent company and its subsidiary have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profit/loss on intra-group transactions.
- II. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group for like transactions and other event in similar circumstances and presented in the same manner as the company's separate financial statements.
- III. The financial statements of the subsidiary used in the consolidated are drawn up to the same reporting date as that of the company i.e. 31<sup>st</sup> March.
- IV. Minority Interest have been excluded. Minority Interest represent that part of the net loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company.

b) **Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates includes Income Taxes, useful life of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results may differ from those estimates. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

d) **Revenue recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection on transfer of the significant risk and reward of ownership of the goods to the buyer and stated at net of discount, rebates, returns and VAT. Revenue from operation is generally recognized when service is performed/ rendered

e) **Tangible and intangible assets**

Tangible and intangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

f) **Depreciation / amortization**

Depreciation on tangible assets is provided on the Written Down Value method over the useful lives of assets as prescribed in Schedule II to Companies Act, 2013. Depreciation for assets purchased / sold during a year is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

g) **Impairment of assets**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. Recoverable amount is higher of net selling price or value in use. Management reviews the carrying cost of the assets at the end of each balance sheet date and is of the view that the recoverable value in the assets is more than the carrying amount and hence no provision for impairment of assets has been made.

h) **Foreign currency transaction**

Foreign currency transactions are initially accounted at the exchange rates prevailing on the date of the transactions. Gains and losses arising on account of differences in foreign exchange rates on settlement / translation of monetary items are recognized in the Statement of Profit and Loss.

i) **Borrowing cost**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the costs of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other interest and borrowing cost are charged to revenue.

**j) Inventories**

Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are "Weighted Average Method". Cost of Work in Progress and Finished Goods is determined on absorption costing method. Inventories are valued as follows:

i) Raw Materials, Stores & Spares, Packing Materials, Consumables	:-	At Cost or net realizable value whichever is lower
ii) Finished Goods	:-	At cost or net realizable value whichever is lower
iii) Traded goods	:-	At cost or net realizable value whichever is lower
iv) Stock in Process	:-	At cost including related overheads or net realizable value whichever is lower

**k) Retirement Benefits**

- i) Short-term employees contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits like gratuity is provided on actuarial valuation at the end of the year and charged to Profit and Loss account. Accordingly, Group Gratuity Scheme from Life Insurance Corporation under which gratuity liability of Rs 16.52 Lacs (Previous Year Rs 15.87 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs. 2.30 Lakhs during the financial year (Previous Year Rs 2.10 Lacs)

**l) Taxation**

Provision for current tax has been made on the basis of taxable income for the current year and in accordance with the provisions of Income Tax Act 1961. The deferred tax resulting from timing difference between the accounting and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets arising on account of timing difference are recognized and carried forward to the extent there is virtual certainty that these would be realized in future.

**m) Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement that can be reliably ascertained are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes, when no reliable estimate is made or when there is present or past obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

**n) Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by dividing the net profit after tax by the weighted average number of equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive equity share.

For and on behalf of the Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

**Notes on Consolidated financial statements as of and for the year ended March 31, 2016**

(In INR ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>2 Share capital</b>		
<b>Authorised</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000
	<b>35,994,000</b>	<b>35,994,000</b>

**(a) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, 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 preferential amounts, in proportion to their shareholding.

**(b) Reconciliation of number of shares**

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	(In INR ₹)	No. of shares	(In INR ₹)
Balance as at the beginning of the year	3,599,400	35,994,000	3,599,400	35,994,000
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>35,994,000</b>	<b>3,599,400</b>	<b>35,994,000</b>

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	Percentage holding As at		
	March 31, 2016	March 31, 2015	
Mr. Atul Kumar Sethi	705406 (Previous year: 705406) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology	295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal	326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%
<b>3 Reserves and surplus</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	
<b>Capital investment subsidy</b>	<b>Rupees</b>	<b>Rupees</b>	
Balance as at the beginning of the year	1,500,000	1,500,000	
Balance as at the end of the year	1,500,000	1,500,000	
<b>Securities Premium</b>			
Balance as at the beginning of the year	4,673,108	4,673,108	
Balance as at the end of the year	4,673,108	4,673,108	
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
Balance as at the beginning of the year	11,511,871	12,471,213	
Profit/(Loss) for the year	(854,059)	(602,123)	
	10,657,812	11,869,090	
Less : Adjustments relating to Fixed assets	-	357,219	
Balance at the end of the year	10,657,812	11,511,871	
	<b>16,830,920.38</b>	<b>17,684,979.00</b>	
<b>4 Long-term Borrowings</b>			
<b>Term loan - Secured</b>			
HDFC Bank Ltd. (Car)	2,213,749		
HDFC Bank Ltd. (Car)	240,359		
Bajaj Finance Ltd.	-	1,629,884	
ICICI Bank Ltd. Car Loan	-	668,853	
Reliance Capital Ltd (Vehicle loan)	-	137,888	
	<b>2,454,108</b>	<b>2,436,625</b>	
<b>Nature of security :</b>			
<b>Secured loans</b>			
1 Term loans from Reliance Capital Ltd is secured by hypothecation of cars and vehicle.			
<b>Maturity profile of long term borrowings</b>			
<b>Secured loans</b>			
2016-17	-	1,540,195	
2017-18	725,890	896,430	
2018-19	718,052	-	
2019-20	739,778	-	
2020-21	270,388	-	
	<b>2,454,108</b>	<b>2,436,625</b>	

**Notes to the financial statements as of and for the year ended March 31, 2016**

(In INR ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>5 Other long-term liabilities</b>		
Deposit from customers	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
<b>6 Short-term borrowings</b>		
<b>A. Unsecured Loan</b>		
Magma Fincorp Limited	-	2,017,876
Tata Capitals Ltd	-	1,396,550
ICICI Bank Ltd (unsecured)	802,573	875,137
<b>B. WORKING CAPITAL LOAN</b>		
Bank of india (Secured)	15,787,608	20,026,053
	<u>16,590,181</u>	<u>24,315,616</u>
<b>7 Trade payables</b>		
Micro, small and medium enterprises	1,319,780	1,036,457
Others	957,136	321,664
	<u>2,276,916</u>	<u>1,358,121</u>
<b>8 Other current liabilities</b>		
Current maturities of long term debts*	636,609	1,022,723
Advance from customers	1,152,817	2,431,867
Statutory dues (including provident fund and tax deducted at source)	1,128,889	766,082
Other payables	5,522,378	2,596,216
	<u>8,440,693</u>	<u>6,816,888</u>
<b>9 Short-term provisions</b>		
Provision for Employee benefits	2,096,223	2,125,108
Provision for income tax	1,003,500	-
	<u>3,099,723</u>	<u>2,125,108</u>

**Nature of security:**

\* It includes vehicle loan from HDFC Bank Ltd, ICICI Bank Ltd., Reliance Capital Ltd. to be repayable within a period of year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.

**10.1 Tangible assets**

(In INR ₹)

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	Up to March 31, 2015	For the Year	Deductions/ Adjustments	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	8,482,398	615,681	-	9,098,079	5,805,656	6,421,337
Plant & Machineries	48,666,492	1,257,194	-	49,923,686	34,462,783	3,544,717	-	38,007,500	11,916,186	14,203,709
Furniture & Fixture	3,552,651	9,000	-	3,561,651	3,289,059	40,611	-	3,329,670	231,981	263,592
Vehicles	7,513,326	624,400	-	8,137,726	2,707,900	1,659,058	-	4,366,958	3,770,768	4,805,426
Office Equipments	1,652,778	25,000	-	1,677,778	1,462,661	72,700	-	1,535,361	142,417	190,117
Computers	3,894,981	35,238	-	3,930,219	3,609,277	81,196	-	3,690,473	239,746	285,704
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
<b>Total</b>	<b>80,622,705</b>	<b>1,950,832</b>	<b>-</b>	<b>82,573,537</b>	<b>54,259,470</b>	<b>6,013,963</b>	<b>-</b>	<b>60,273,433</b>	<b>22,300,104</b>	<b>26,363,235</b>
Previous year	78,699,980	6,147,389	4,224,664	80,622,705	51,108,172	6,441,828	3,290,530	54,259,470	26,363,235	27,813,255

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	Up to March 31, 2015	For the Year	Deductions/ Adjustments	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Technology Purchase	16,084,914	-	-	16,084,914	11,563,362	1,608,491	-	13,171,853	2,913,061	4,521,552
Software	475,900	-	-	475,900	94,528	47,590	-	142,118	333,782	381,372
<b>Total</b>	<b>16,560,814</b>	<b>-</b>	<b>-</b>	<b>16,560,814</b>	<b>11,657,890</b>	<b>1,656,081</b>	<b>-</b>	<b>13,313,971</b>	<b>3,246,843</b>	<b>4,902,924</b>
Previous year	16,560,814	-	-	16,560,814	10,001,809	1,656,081	-	11,657,890	4,902,924	6,559,005

**Notes on Consolidated financial statements as of and for the year ended March 31, 2016**  
(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>11 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	2,096,300	820,999
	<b>2,096,300</b>	<b>820,999</b>
<b>12 Inventories</b> Finished goods Stock-in-process Raw materials Stock in Trader	8,284,950 9,165,550 7,834,569 40,000	8,561,336 9,665,599 13,307,807 38,044
	<b>25,325,069</b>	<b>31,572,786</b>
<b>13 Trade receivables</b> <b>Unsecured, considered good</b> Outstanding for a period exceeding six months from the date they are due for payment Others	4,681,199 13,368,363	4,199,716 9,171,867
	<b>18,049,562</b>	<b>13,371,583</b>
<b>14 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Fixed Deposits with banks*	2,435,202 961,933	2,147,012 959,397
*Includes deposits Nil (P.Y. Rs. 130178) with maturity of more than 12 months	<b>3,397,135</b>	<b>3,106,409</b>
<b>15 Short-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Advance to vendors Advances recoverable in cash or kind Advance income tax Advance to employees	6,117,895 2,750,995 426,086 1,135,681	3,626,876 1,868,187 538,918 3,588,826
	<b>10,430,657</b>	<b>9,622,807</b>
<b>16 Other current assets</b> (Unsecured, considered good) Accrued Interest on Fixed Deposit with Banks	276,822	197,686
	<b>276,822</b>	<b>197,686</b>
<b>17 Revenue from operations</b> Sale of products Less: Vat on Purchase VAT PAID  Other Operating Income Technology Fees Received Others	77,733,721 462,521 2,846,742  - - -	66,728,861 170,309 2,656,049  1,881,122 262,775 2,143,897
	<b>74,424,458</b>	<b>63,902,503</b>
	<b>74,424,458</b>	<b>66,046,400</b>
<b>18 Other income</b> Interest received Profit on sale of fixed assets Other Receipts	105,788 - 53,000	103,326 230,866 -
	<b>158,788</b>	<b>334,192</b>
<b>19 Cost of materials consumed</b> Inventory at the beginning of the year Add: Purchases Less: Inventory at the end of the year	13,307,807 19,392,276 7,834,569	17,451,015 20,495,827 13,307,807
	<b>24,865,514</b>	<b>24,639,035</b>

**Notes on Consolidated financial statements as of and for the year ended March 31, 2016**  
(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
<b>20 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	8,561,336	5,026,633
Stock in process	9,665,599	3,951,272
Stock in Trade	38,044	2,831,179
	<b>18,264,979</b>	<b>11,809,084</b>
<b>Inventory at the end of the year (b)</b>		
Finished goods	8,284,950	8,561,336
Stock in process	9,165,550	9,665,599
Stock in Trade	40,000	38,044
	<b>17,490,500</b>	<b>18,264,979</b>
<b>Decrease/(Increase) in inventories (a) - (b)</b>	<b>774,479</b>	<b>(6,455,895)</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	15,826,072	16,065,094
Contribution to provident and other funds	1,409,531	1,300,476
Staff welfare expenses	175,733	121,343
	<b>17,411,336</b>	<b>17,486,913</b>
<b>22 Finance costs</b>		
Interest on term loan	267,566	746,381
Interest-others	3,248,637	3,269,263
Bank charges	180,823	212,202
	<b>3,697,026</b>	<b>4,227,846</b>
<b>23 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	17,218	169,725
Entry tax	357,475	364,424
Exchange difference (net)	181,279	37,533
Freight inward	910,046	452,234
Insurance	64,435	93,115
Job Work & Labour Charges	714,666	880,487
Laboratory Expenses	103,026	131,498
Lease rent and development charges	-	33,708
Power, fuel and water	1,175,555	1,040,247
Repairs to Others	141,166	67,574
Repairs to buildings	212,007	206,870
Repairs to plant and equipments	901,246	1,288,521
Fees for Technical Services	212,373	452,031
	<b>4,990,492</b>	<b>5,217,967</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	27,824	27,691
Packing materials	508,271	816,290
Commission	422,894	477,863
Conference Fees	3,867	400,000
Implantation Charges	1,824,920	1,942,912
Travelling expenses	4,419,252	3,070,610
Freight outward	360,905	318,266
Selling and business promotion expenses	3,905,681	4,305,753
	<b>11,473,614</b>	<b>11,359,385</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	191,000	146,500
Conveyance	154,997	95,758
Courier and postage charges	102,432	108,941
Legal and professional charges	1,380,819	821,782
Misc. expenses	925,914	620,209
Printing and stationery	101,716	163,264
Rates and taxes	162,436	229,983
Rent	323,200	1,345,500
Telephone and fax charges	235,682	238,250
VAT and Sales Tax	54,613	-
Vehicle running & Maintenance Expenses	547,543	715,618
	<b>4,180,352</b>	<b>4,485,805</b>
<b>(a)+(b)+(c)</b>	<b>20,644,458</b>	<b>21,063,157</b>

## Notes on Consolidated financial statements as of and for the year ended March 31, 2016

(in ₹)

Particulars	As at March 31st, 2016	As at March 31st, 2015
24 The consolidated Financial Statements present the Consolidated account of Shree Pacetronix Limited with its subsidiary. The names, country of incorporation, percentage of ownership interest is as under :-		
Name of the Company	Country of Incorporation	% Shareholding of Shree Pacetronix Limited
Shree Coratomic Ltd.	India	99.91%

25 Significant accounting policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the company. Recognizing this purpose, the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations and lack of homogeneity made it desirable to exclude some of them which, in the opinion of the management, could be better viewed, when referred from the individual financial statements.

**26 Segment reporting****A. Primary segment**

As the company's business activity falls within a single primary business segment i.e. "Life Saving Devices" hence there is no primary segments wise information to report as per Accounting Standard -17 "Segment Reporting".

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	69,368,986 (57,738,794)	5,055,472 (8,307,606)	74,424,456 (66,046,400)
ii) Carrying cost of segment assets	85,942,532 (90,987,997)	- -	85,942,532 (90,987,997)
iii) Addition to Fixed Assets	1,950,832 (6,147,389)	- -	1,950,832 (6,147,389)

\* Previous year's figures are shown under brackets.

**27 Related party disclosures**

As per accounting standard-18 'Related Party Disclosures' as prescribed under Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

**A Holding / Subsidiary Company**

Since Consolidated financial statements present information about holding and its subsidiary as a single reporting enterprises. It is unnecessary to disclose intra-group transactions.

**B. Key management personnel and relatives of such personnel****(I) Key Management Personnel**

Atul Kumar Sethi	Managing Director
Amita Sethi	Whole time Director
Vikas Gokhale	Director

**(II) Relatives of Key Management personnel and their enterprises where transactions have taken place**

Smt Heera Sethi
Mrs. Yamini Gokhale

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer



## Notes on Consolidated financial statements as of and for the year ended March 31, 2016

## C. Enterprises over which any person mentioned in 'B', is able to exercise significant influence.

Details of transactions and closing balances	Year Ended March 31st, 2016	Year Ended March 31st, 2015
<b>Aul Kumar Sethi</b>		
Director Remuneration	2,630,400	2,630,400
Rent	-	1,020,000
Closing Balance - Payable	(1,669,070)	(3,009,826)
<b>Mrs. Amita Sethi</b>		
Director Remuneration	657,600	657,600
<b>Vikas Gokhale</b>		
Director Remuneration	975,504	973,128
Closing Balance - Payable	-	-
<b>Mrs. Hira Sethi</b>		
Rent	180,000	180,000
<b>Mrs. Yamini Gokhale</b>		
Commission	153,090	241,080
Closing Balance - Payable	-	31,500
<b>28 Contingent liabilities :-</b>		
(i) The disputed demand on Income Tax	280,000	280,000
	<u>280,000</u>	<u>280,000</u>
<b>29</b> Figure pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements		
<b>30</b> Previous year figures have been reclassified to conform to this year's classification.		

For and on behalf of Board of Directors

**Atul Kumar Sethi**  
Managing Director  
DIN-00245685

**Amita Sethi**  
Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

**SHREE PACETRONIX LIMITED**

**Regd. Off.:** Plot No. 15, Sector II, Industrial Area  
Pithampur - 454 775 Distt: Dhar  
Email-pacetrnix@hotmail.com, Phone-07292-411105  
CIN- L33112MP1988PLC004317.

**PROXY FORM**

Form No. MGT-11

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

CIN : L33112MP1988PLC004317  
Name of the Company : Shree Pacetrnix Limited  
Registered office : Plot No. 15; Sector No. II, Industrial Area, Pithampur, (M.P.) 454775  
Name of the member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
Folio No/ Client ID/DP ID : \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

Name	:	
Address	:	
E-mail Id	:	or failing him

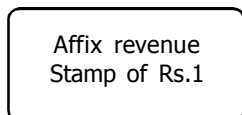
Name	:	
Address	:	
E-mail Id	:	or failing him

Name	:	
Address	:	
E-mail Id	:	or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 11:00 AM at the registered office of the company at Plot No. 15, Sector II, Industrial Area, Pithampur, Dist. DHAR (M.P.) Pin - 454775 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Ordinary Business:</b>	
1.	To receive, consider and adopt the audited Financial Statements (including Audited consolidated financial statements) for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mrs. Amita Sethi (DIN-00245722), who is liable to retire by rotation and being eligible offers herself for re-appointment.
3.	Appointment of Statutory Auditor to fill the casual vacancy.
4.	Appointment of Statutory Aditor
<b>Special Business</b>	
5.	Re-appointment of Mr. Atul Kumar Sethi as the Managing Director of company.
6.	Re-appointment of Mrs. Amita Sethi as The Whole Time Director of the company.
7.	Adoption of new set of Articles of Association of the Company.
8.	To make investments under Section 186 of the Companies Act, 2013.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016



Signature of shareholder

Signature of Proxy holder(s)

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

**ATTENDANCE SLIP**

**28<sup>th</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER 2016**

R.F. No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.  
I/We hereby record my/our presence at the 28<sup>th</sup> Annual General meeting of the company at the Registered office of the company on 30<sup>th</sup> September, 2016.

(If signed by proxy, his name should be  
Written in block letters)

\_\_\_\_\_  
(Shareholders/proxy's Signature)

**Note :**

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**BOOK - POST**

*If undelivered please return to :*

**Shree Pacetronix Limited**

Plot No. 15, Sector II, Industrial Area, Pithampur, Dist. DHAR (M.P.)

Pin - 454775

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